

MEMBER DAY

HEARING

BEFORE THE

COMMITTEE ON FINANCIAL SERVICES

U.S. HOUSE OF REPRESENTATIVES

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Tuesday, June 24, 2025

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MEMBER DAY

Tuesday, June 24, 2025

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The committee met, pursuant to notice, at 3:02 p.m., in room 2128, Rayburn House Office Building, Hon. French Hill [chairman of the committee] presiding.

Present: Representatives Hill, Downing, Sherman, Green, and Cleaver.

Chairman HILL. Yes. The Committee on Financial Services will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any time.

This hearing is titled, "Member Day."

Without objection, all members will have 5 legislative days within which to submit extraneous materials to the chair for inclusion in the record.

I now recognize myself for 5 minutes for an opening statement.

OPENING STATEMENT OF HON. FRENCH HILL, CHAIRMAN OF THE COMMITTEE ON FINANCIAL SERVICES, A U.S. REP- RESENTATIVE FROM ARKANSAS

Welcome to today's Member Day. We welcome all of our members on and off the committee who are joining us to give testimony on their bills and legislative solutions that fall under the Financial Services Committee's jurisdiction. Your work and experience will give members of this committee a unique perspective into legislation that we might consider in the course of this Congress. As we work to usher in a new era of our financial regulatory agencies under President Trump, the work that we are doing today is more important than ever.

Consumers need protection, small businesses and entrepreneurs need access to capital, and financial institutions need the opportunity to innovate. At the beginning of the 119th Congress, I shared my vision for our committee: right size the regulatory system for financial institutions, particularly community banks; deliver clear rules of the road for the digital asset ecosystem; and ensure that agencies are focused on their core statutorily directed missions. During our first 6 months, the committee Republicans have delivered on this agenda by passing comprehensive digital asset legislation for both a dollar-backed payment stable coin and an overall financial market structure; passing over 25 bills that strengthened community banking and expanded access to capital

for entrepreneurs; reviewing the Federal Reserve Board's monetary policy decisions through our committee's new Task Force on Monetary Policy, Treasury Market Resilience, and Economic Prosperity; passing legislation to defend the United States and its allies against China; examining housing challenges that too many Americans face and recognizing the limitations of previous failed housing efforts; and conducting oversight of the Biden Administration's actions, such as shedding light on politically motivated debanking efforts, like Operation Choke Point 2.0 and environmental social governance mandates.

I look forward to hearing the testimony from our panelists today on how we can work together over the rest of this Congress to further accomplish our committee's goals, and I yield back.

Mr. SHERMAN. This will be the best speech you will hear all week because it is the shortest.

Chairman HILL. May I recognize you for 5 minutes? Is that all you got? You do not?

Mr. SHERMAN. I just gave it. I finished my speech.

Chairman HILL. The gentleman yields back for an opening statement.

We have our witnesses today divided into two panels. For the first panel, we welcome the testimony of Honorable Troy Downing of Montana, Sarah McBride, Representative from Delaware, and Hon. Nellie Poe of the State of New Jersey. We are glad all of you are with us. We will start with Representative Downing, and you are recognized for your oral remarks for 5 minutes.

**STATEMENT OF HON. TROY DOWNING, A REPRESENTATIVE
FROM THE STATE OF MONTANA**

Mr. DOWNING. Thank you, Mr. Chair. I am very honored to be on this committee. I probably worked harder getting on this committee than I did on my campaign. I wanted to make sure that I hit the ground running with my private sector experience in technology, in technology venture, in insurance, and then also, I spent the last 4 years as a regulator and the insurance and securities regulator for the State of Montana. I wanted to make sure that I hit the ground running, and I am really excited about the work we do on this: from ensuring the United States remains a hotbed of innovation; to helping small businesses access capital; to repealing senseless regulations on banks that only reduce access to credit for those who need it most. Today, I would like to spend my time highlighting one of my top legislative priorities, which is eliminating the Federal Insurance Office.

As a former regulator of insurance for the State of Montana, I know that State-based regulation works in the insurance industry. The McCarran-Ferguson Act of 1945 makes it very clear that States have the sole regulatory authority over the insurance industry. The 2010 Dodd-Frank Act upended decades of this practice by creating the Federal Insurance Office to monitor all aspects of insurance. One could ask the obvious question, if insurance is regulated by the States, why do we have a Federal Insurance Office? Worst of all, with Federal Insurance Office (FIO), I will call it for short, the Biden Administration weaponized FIO, pursuing politicized data calls on climate rather than looking for ways to make

the insurance sector operate more efficiently. They weaponized this and usurped the States' authority doing these data calls on domestic insurance companies rather than leaving that where it truly belongs, with the States.

The first bill that I introduced as a Member of Congress was H.R. 643, the Federal Insurance Office Elimination Act. With strong support from the insurance industry, as the name suggests, this legislation simply eliminates the Federal Insurance Office and returns the regulation of insurance to the States where it belongs. Let me clear: I did not come to Washington to slash and burn. I came to Washington to advocate for targeted regulatory reforms.

I understand the Federal Insurance office does some important work, particularly when it comes to representing the industry on the international stage, and I promise to make sure that work continues. Mr. Chairman, I look forward to working with you and insurance stakeholders to advance this legislation and preserve State-based regulation because States are best equipped to address the insurance needs of their communities, not the Federal Government. Thank you, Mr. Chair. I yield back.

[The prepared statement of Hon. Downing follows:]

FIO Elimination Remarks

Thank you, Mr. Chairman. When I was elected to Congress, I knew I wanted to serve on the Financial Services Committee because I felt that I had the necessary business and regulatory background to be a meaningful contributor to the important work of this committee—from ensuring the United States remains a hotbed for innovation, helping small businesses access capital, to repealing senseless regulations on banks that only reduce access to credit for those that need it most.

I would like to spend my time today highlighting one of my top legislative priorities, which is eliminating the Federal Insurance Office. As the former regulator of insurance for the state of Montana, I know that state-based regulation of insurance works.

The McCarran-Ferguson Act of 1945 makes clear that states have sole regulatory authority over the insurance industry. The 2010 Dodd-Frank Act upended decades of this practice by creating the Federal Insurance Office to monitor all aspects of insurance. Worst of all, the Biden Administration weaponized the Federal Insurance Office, pursuing politicized data calls on climate rather than looking for ways to make the insurance sector operate more efficiently.

The very first bill I introduced as a Member of Congress was H.R. 643, the Federal Insurance Office Elimination Act, with strong support from the insurance industry. As the name suggests, this legislation simply eliminates the Federal Insurance Office and returns the regulation of insurance to the states where it belongs.

Let me be clear—I did not come to Washington to slash and burn. I came to Washington to advocate for targeted regulatory reforms. I understand the Federal Insurance Office does some important work, particularly when it comes to representing the industry on the international stage, and I promise to make sure that work continues.

Mr. Chairman, I look forward to working with you and insurance stakeholders to advance this legislation and preserve state-based regulation, because states are best equipped to address the insurance needs of their communities, NOT the federal government.

Thank you. I yield back.

Chairman HILL. The gentleman yields back. Representative McBride, you are recognized for 5 minutes. I should have said at the top that each of you will be recognized for your oral presentation, and without objection, your written statements will be included as part of the record.

Now, Representative McBride, I yield to you.

**STATEMENT OF HON. SARAH MCBRIDE, A REPRESENTATIVE
FROM THE STATE OF DELAWARE**

Ms. MCBRIDE. Thank you so much, Mr. Chairman, and thank you very much to you and Ranking Member Waters for hosting this Member hearing today. I am here to discuss my bipartisan bill, H.R. 306, the Ending Scam Credit Repair Act, ESCRA. I would like to thank my colleague, Representative Young Kim, for serving as the Republican co-lead of this legislation.

We have all seen the commercials for so-called credit repair organizations, also known as CROs, shiny promises and toll-free numbers offering miraculous credit score boosts, but what we do not see behind these advertisements is the deception, the abuse, and the heartbreak. Behind the curtain are CROs exploiting legal loopholes, charging high upfront fees, taking advantage of confused constituents and overwhelming financial institutions with manipulative tactics, leaving vulnerable Americans worse off than before. Our bill cracks down on these abusive and fraudulent practices by CROs. It prohibits them from charging upfront fees until at least 6 months after they have provided proof of real credit score improvement. While this protection already exists in Federal law, CROs exploit a loophole to rip consumers off anyway. As long as they do not use certain telemarketing sales practices, they are able to evade this critical consumer protection. Our bill rightfully closes that loophole.

ESCRA also prohibits CROs from jamming financial institutions with duplicative requests, which have prevented these institutions from addressing legitimate credit report issues. Additionally, ESCRA strengthens State oversight, raises penalties for bad actors, and ensures that every consumer knows their rights, that they can do all of this on their own for free.

Our bill does not punish legitimate services. It protects the ethical actors who are trying to do the right thing. Both the financial services industry and consumer advocates, groups, that rarely align, support ESCRA. This legislation exemplifies how Congress is supposed to work: bringing people together to improve life for our constituents. Preventing scams is not a partisan issue.

In Delaware, I have spoken with hardworking families who, in moments of financial stress, turned to these companies believing help was on the way. Instead, they were met with high costs, false hope, and, ultimately, more debt and confusion. That is not just immoral, it should be illegal. Thank you, and I urge the committee to consider this much-needed bipartisan legislation.

I yield back the remainder of my time.

[The prepared statement of Hon. McBride follows:]

**Financial Services Committee Member Day
June 24, 2025
Ending Scam Credit Repair Act (ESCRA)**

Thank you, Chair Hill and Ranking Member Waters, for having me today.

I am here to discuss my bipartisan bill, H.R. 306, the Ending Scam Credit Repair Act, also known as ESCRA. I'd like to thank my colleague, Representative Young Kim, for serving as the Republican co-lead on this legislation.

We've all seen the commercials for so-called credit repair organizations, also known as CROs—shiny promises and toll-free numbers offering miraculous credit score boosts. But what we don't see behind those advertisements is the deception, the predation, and the heartbreak. Behind the curtain are CROs exploiting legal loopholes, charging high upfront fees, taking advantage of our confused constituents, and overwhelming financial institutions with manipulative tactics—leaving vulnerable Americans worse off than before.

Our bill cracks down on predatory practices by CROs. It prohibits them from charging upfront fees until at least six months after they've provided proof of real credit score improvement. While this protection is already the law, CROs exploit a loophole to rip consumers off anyway. As long as they don't use certain telemarketing sales practices, they're able to evade this consumer protection. Our bill rightfully closes that loophole.

ESCRA also prohibits CROs from jamming financial institutions with duplicative requests, which has prevented them from addressing legitimate credit report issues. Additionally, ESCRA strengthens state oversight, raises penalties for bad actors, and ensures that every consumer knows their rights—that they can do all of this, on their own, for free.

Our bill doesn't punish legitimate services. It protects the bankruptcy attorneys, the nonprofit advisors, the ethical actors who are trying to do the right thing.

Both the financial services industry and consumer advocates—groups that rarely align—support ESCRA. This legislation exemplifies how Congress is supposed to work: bringing people together to improve life for our constituents. Preventing scams is not a partisan issue.

In Delaware, I've spoken with hardworking families who, in moments of financial stress, turned to these companies believing help was on the way. Instead, they were met with high costs, false hope, and ultimately, more debt and confusion. That's not just immoral—it should be illegal.

Thank you, and I urge the Committee to consider this much-needed, bipartisan legislation.

I yield back the remainder of my time.

Chairman HILL. Thank you very much for your offer today. Representative Pou, you are recognized for 5 minutes.

**STATEMENT OF HON. NELLIE POU, A REPRESENTATIVE FROM
THE STATE OF NEW JERSEY**

Ms. POU. Thank you. Thank you, Mr. Chairman and to Ranking Member Waters. Good afternoon. It is indeed my pleasure to offer testimony to the House Financial Services Committee as you set your agenda for the 119th Congress.

One of the challenges that keeps my constituents up at night is housing. New Jersey is the most densely populated State in the union, and the need for affordable housing far exceeds supplies. More than 200,000 affordable homes are needed for low-income people in our State where the average price of a home has increased 66 percent over the past 5 years. For those who dream of being homeowners, high rental prices combined with low housing availability make it difficult for New Jerseyans to save enough to afford a down payment, and with some of the highest property taxes in the country, it is difficult for many to stay in their homes.

Renters are also struggling to keep up. Experts tell us not to spend more than 30 percent of our income on rent, but nationally, more than a third of households exceed that. To meet that 30-percent metric in New Jersey, full-time workers need to make over \$30 an hour simply to afford a two-bedroom rental. That is untenable. We have seen how the housing affordability crisis contributes to homelessness, which increased 24 percent in my State from 2023 to 2024, just in that 1 year.

Beyond the affordability, accessing safe housing is also a challenge in my district. Almost two-thirds of New Jersey housing was built before lead-based paint was banned. My hometown of Patterson has one of the highest levels in the State of children with elevated blood lead levels. As you know, lead exposures in children are linked to learning behaviors, hearing and speech problems, which can certainly affect the academic environment as well as their achievement. Ensuring that every child grows up in a life free home is a smart investment in the future and the right thing to do. I encourage the committee to prioritize legislation that will help build new homes and rental units, particularly in the area near public transportation; make existing housing safer, like through lead remediation; help low-and middle-income people afford rent and provide for their ability to provide a down payment, especially for seniors and families with children; and promote fair housing practices so every American has a fair shot at buying or renting a home.

While I am here, I would also like to encourage this committee to renew and reform the National Flood Insurance Program. Homeowners across my district in New Jersey, from the Meadowlands to the Passaic River Basin, remember the devastation from hurricanes like Irene and Sandy like it was just yesterday. Our neighbors saw their entire lives swept away in just an instant. I encourage the committee to advance legislation to make the program more affordable and fair. We need safeguards to stop premiums from being raised to unaffordable levels. We need accurate maps and flood prevention investments. We need to strengthen the

claims process to survivors so they can get what they need to rebuild.

Flood victims are counting on Congress to make our Flood Insurance Program better. I look forward, Mr. Chairman, to working with the committee on this issue and in any other way to support the residents of the New Jersey's 9th Congressional District. Thank you for the opportunity to testify before this committee. Thank you, Mr. Chairman. I yield back.

[The prepared statement of Hon. Pou follows:]

House Financial Services Committee Member Day

June 24, 2025

Testimony of Congresswoman Nellie Pou

Good afternoon. It is my pleasure to offer testimony to the House Financial Services Committee as you set your agenda for the 119th Congress.

One of the challenges that most keeps my constituents up at night is housing. New Jersey is the most densely populated state in the Union, and the need for affordable housing far exceeds supply. More than 200,000 affordable homes are needed for low-income people in our state, where the average price of a home has increased 66% over the past five years.

For those who dream of being homeowners, high rental prices, combined with low housing availability, make it difficult for New Jerseyans to save enough to afford a down payment. And with some of the highest property taxes in the country, it's difficult for many to stay in their homes.

Renters are also struggling to keep up. Experts tell us not to spend more than 30% of our income on rent, but nationally, more than a third of households exceed that. To meet that 30% metric in New Jersey, full-time workers need to make over \$30 an hour simply to afford a two-bedroom rental. That is untenable. We've seen how the housing affordability crisis contributes to homelessness, which increased 24% in my state from 2023 to 2024.

Beyond affordability, accessing safe housing is also a challenge in my district. Almost two-thirds of New Jersey housing was built before lead-based paint was banned. My hometown of Paterson has one of the highest levels in the state of children with elevated blood lead levels. As you know, lead exposure in children is linked to learning, behavioral, hearing, and speech problems, which can harm academic achievement. Ensuring every child grows up in a lead-free home is a smart investment in the future, and the right thing to do.

I encourage the Committee to prioritize legislation that will help build new homes and rental units, particularly in areas near public transportation; make existing housing safer, like through lead remediation; help low and middle income people afford rent and down payments, especially seniors and families with children; and promote fair housing practices so every Americans has a fair shot at buying or renting a home.

While I am here, I also want to encourage this committee to renew and reform the National Flood Insurance Program. Homeowners across my district in New Jersey - from the Meadowlands to the Passaic River Basin - remember the devastation from Hurricanes like Irene and Sandy like it was yesterday. Our neighbors saw their entire lives swept away in an instant. I encourage the committee to advance legislation to make the program more affordable and fairer. We need safeguards to stop premiums from being raised to unaffordable levels. We need accurate maps and flood prevention investments. We need to strengthen the claims process so survivors get what they need to rebuild. Flood victims are counting on Congress to make our flood insurance program better.

I look forward to working with the Committee on this issue, and on other ways to support residents of New Jersey's Ninth District.

Thank you for the opportunity to testify before this committee. I yield back.

Chairman HILL. Thank you, Representative Pou. Thank you for your time today. We will now turn to member questions. Let me begin that. Let me start with Mr. Downing.

You referenced if one were to eliminate the Federal Insurance Office, that you thought one of the key functions that it had was representing the United States in international fora for insurance oversight. How would you see that being handled were the FIO office was eliminated?

Mr. DOWNING. Mr. Chair, thank you for your question. On the very narrow part of that where they are dealing with covered contracts, with the very narrow part where we do need to deal with international issues, I believe that could be an appointee under Treasury. I think that could be a person that handled that part, and that would solve the problem with life companies that do have international exposure, and I think that person should also take the seat that FIO currently has on Financial Stability Oversight Council (FSOC), and so that he would also have that insurance representation on FSOC as well as him being the international.

The problem is that FIO historically did not consult with the actual insurance regulators, the State regulators, and so the NAIC, the National Association of Insurance Commissioners, their toes were stepped on figuratively by FIO misrepresenting what mattered to these State regulators, and so that is the huge issue. The one thing where I do, as you pointed out, believe we need to solve is to have that one spot on the international representation, which I believe can be an appointee under Treasury.

Chairman HILL. You also make the point that your view of the insurance expert that is at Treasury now in the FIO office is not regularly consulting with the insurance commissioners around the country. How could they be a representative on the Financial Stability Oversight Board if they were not taking the pulse of our insurance commissioners around the country?

Mr. DOWNING. Then that is the key to the problem. The start of my discontent as an Insurance Commissioner was that the U.S. markets were misrepresented. So, a lot of us took the time and effort to start attending IAIS, the International Association of Insurance Supervisors, meetings, making sure that we were monitoring that so that they had a voice independent of FIO. That was the start of my discontent, but where I really realized that there was a problem is, first of all, FIO, I do not believe, should have subpoena power over insurance companies. When they started to push the last administration's aspirations on Green New Deal issues, they started doing data calls from domestic insurers, which was disruptive and expensive to the domestic insurers, and in my opinion, it was a usurpation of the States' authority to regulate their own markets.

Chairman HILL. Thank you. I appreciate that feedback very much. Representative McBride, on your suggestions, and this committee is frequently concerned about consumer protection and proper disclosure, and you bring up good issues with your bill that you proposed with Young Kim. Can you tell us just what either the States attorneys general or just pick Delaware as an example, just some egregious issues around the loophole you describe, and has it gotten worse over the years due to technology or what? What has

risen to the occasion now where you think this is important for this fix?

Ms. McBRIDE. Thank you for that question, Mr. Chairman, and it is a good one because the current consumer protections were written in a period of time where the main method for the CROs to communicate with consumers was through telephones. With the advent of the internet, these CROs are now utilizing digital communications, which evades the consumer protections that exist. So the protections, while well intended, are obviously hollow in those communication methods. We have seen actions by both States and the Federal Government over the last several years to challenge some of these abusive practices. The Consumer Financial Protection Bureau (CFPB) did receive, I believe, a \$2 billion settlement as a result of taking to task these CROs, but until we have clarity, until we have this loophole closed, we are going to see a lot of constituents continue to face the situation where they are paying these upfront fees, and the CROs either make progress, fake progress, the illusion of progress, or just do not even provide the service at all.

So, I believe closing the loophole, modernizing these protections, and guaranteeing that the financial institutions are no longer jammed with duplicative requests so that they can focus on actual genuine credit report issues, it will make sure that the entire system works better.

Chairman HILL. Thank you. I appreciate that; appreciate your advocacy. Congresswoman Pou, thank you for your advocacy for housing. It is a top issue for all the members across the country, particularly in high-cost markets like New Jersey, so we look forward to having that as a priority during the course of our committee. I yield back my questions. My friend from California, would yield time to him, 5 minutes for questions if you have some for this panel.

Mr. SHERMAN. I do. Mr. Downing, thank you for your experience in insurance. At a very minimum, we have to get the FIO to consult with the National Association of State Insurance Regulators. Whether I will go as far as your bill, I am going to have to think it through. Ms. McBride, thank you, and I want to read your bill, but I think I am going to co-sponsor it because you have hit on a very important area where consumers are being abused. Ms. Pou, I share a lot of concerns from your district. I also represent a very high-cost area, and we need hundreds of thousands of additional housing units in Los Angeles County and share your concerns about disasters because I represent the Pacific Palisades.

I will point out that I have always supported flood insurance. Even though Los Angeles is the most important city in the world, built in a desert, but I still support flood insurance. I would hope that this talk from the White House that Los Angeles' horrendous natural disasters, fires should be ignored by the Federal Government just because he does not like our Governor is a huge problem and one that you might face depending upon who is elected Governor of your State. I look forward to Congress reclaiming its role and saying that when we establish a program and it is supposed to treat all 50 States equally, that we do not have an administra-

tion choosing to ignore certain States for political reasons. With that, I yield back.

Chairman HILL. The gentleman yields back. I want to thank our first panel for your participation. Your statements will be made part of our record. We really appreciate your advocacy, and thanks for sharing your time today.

Give us a moment. We will suspend for a moment while we change panels.

[Pause.]

Chairman HILL. The committee will come back to order.

What a distinction it is to see these three distinguished members of our committee testifying on Member Day. We thank each of you for taking time to come back to the hearing room today. Each of you will be recognized for 5 minutes to give an oral presentation of your testimony, and of course, without objection, your written statements and any other material will be made part of the record.

We will start from my left. Mr. Sherman, you are recognized for 5 minutes.

**STATEMENT OF HON. BRAD SHERMAN, A REPRESENTATIVE
FROM THE STATE OF CALIFORNIA**

Mr. SHERMAN. I have a whole package of bills that I am sure the chair would want to mark up. The first is the Bank Safety Act that focuses on the problem where banks invest in long-term, often Treasuries, and treat it as if there is no risk. If the Treasuries go up in value, they can sell the Treasuries, have a huge profit, and then announce bonuses for their board and executives. If the Treasuries go down, they just do not do anything and continue, for regulatory purposes, to list the Treasuries at their original purchase price, and they are allowed to do this even for Treasuries and other bond instruments that are in the account of held-for-sale. So, they are holding these instruments for sale, they go down in value, and they treat them as if they still had the original value. This is exactly what Silicon Valley Bank did, and that is why we do not have Silicon Valley Bank. More banks will do exactly this.

Not only that, there is a fight for capital between the small business that wants to borrow a loan from the bank and the bank's opportunity to invest in long-term securities on the stock market. If they invest in business loans, there is very little interest rate risk because they tend to be short-term loans or adjustable rates. There is a credit risk, and the bank examiners are all over them looking at that credit risk. If you invest in the long-term bonds, there is an interest rate risk, and we have a do not-look-at-it because policy toward that interest rate risk, so banks have a strong reason to say no to main street.

Then I have a package of bills dealing with China. One is outside the jurisdiction of this committee, but certainly, we should not be providing a capital gains allowance or step-up in basis for those Americans who invest in Chinese, Russian, Belarus, or Iranian stocks. Second, I have, and this, I think, is one that the chairman may be very interested in, and that is the China Risk Reporting Act. If we are going to inform investors, we have to tell them what risk the company has because of its involvement in China. We have seen a possible breakdown in the China relationship in the last few

months, and China may invade Taiwan and/or blockade it, and that would create such a rift. Investors deserve to know, but also under this bill, the company would have to show what it is doing to derisk and decouple. America's biggest corporations should be looking at reducing their China risk.

The next act would say that you cannot buy stock in companies that we are sanctioning. There are 144 companies that the Federal Government is sanctioning where their stock is available for purchase by Americans. Finally, is the No China Index Funds Act. Index funds do not have the capacity to evaluate these unique Chinese risks, and furthermore, these index funds are investing not in Chinese stocks, but in variable interest entities that then have a contractual relationship from the Cayman Islands to the Chinese company. So, you are being told that you are investing in the biggest companies in the world, and you are not investing in Alibaba of China. You are investing in Alibaba, Cayman Islands, a completely different entity.

Two things on crypto because there are two things that I think everybody in this committee can agree on in crypto. Crypto should not be bailed out by the American taxpayer, and we should not use taxpayer money to buy crypto assets. The first one is the No Crypto Bailout Act. I do not want to see a circumstance where all of a sudden, Skibidi Coin or Bitcoin or Trump coin is diving in value, and the people who invest in it are somehow claiming that it is a systemically important asset and somehow, we should be bailing them out. Even crypto advocates do not think that the taxpayer should play that role.

Second, is to say no Federal investments in crypto. We had, just at this panel, Jay Powell say he does not have and does not want the authority to buy crypto, but the Treasury does have that authority. Trump has talked about a strategic Bitcoin reserve. The fact is that we should not be investing in crypto. It is high risk, and we are investing in a competitor to the U.S. dollar and giving it credibility by saying that the U.S. dollar is the world's reserve currency, and then crypto is a reserve currency for the reserve currency. Coke would not do that for Pepsi. We should not do it for crypto. I yield back.

[The prepared statement of Hon. Sherman follows:]

**Congressman Brad Sherman 6/24/2025 Financial Services Member Day Written
Testimony**

No Capital Gains Allowance for American Adversaries Act

While the first bill falls under the jurisdiction of the Ways and Means Committee, it directly involves securities and as the Ranking Member of the Capital Markets Subcommittee, I want to present it before our committee today.

Lower tax rates for capital gains are intended to incentivize Americans to make investments here in America that grow our economy, investments made in companies abroad – even in adversarial nations – are still able to receive this preferential tax treatment.

To stop subsidizing investments and boosting the economies of nations undermining American national security interests, I will soon introduce the **No Capital Gains Allowance for American Adversaries Act** which will:

(1) Treat capital gains on all Chinese, Russian, Belarusian, and Iranian stocks as ordinary income.

And (2) eliminate the “step-up in basis” for Chinese, Russian, Belarusian, and Iranian assets inherited at death.

China Risk Reporting Act

The next bill which is subject to the jurisdiction of this committee and relevant to the Subcommittee on Capital Markets.

A breakdown of the U.S.-China relationship is a risk facing our corporations and investors. Our relationship with China has already shown cracks amid the Trump Tariff debacle. However, the risk is particularly important because China threatens to invade Taiwan, which could lead to a complete rupture in the economic relationship between the United States and China.

Corporations need to evaluate their dependence on China, and should be encouraged to de-risk or decouple. Investors deserve to know the degree to which the companies they invest in are dependent upon China and the risks to their investment posed by a possible Chinese invasion of Taiwan or other disruptive behavior.

My **China Risk Reporting Act** would require publicly traded companies that file any reports with the SEC to discuss in their annual reports: (1) The degree to which the company is dependent upon China, and (2) The steps the company has taken to reduce its China risk.

PRC Military and Human Rights Capital Markets Sanctions Act of 2025

The PRC Military and Human Rights Capital Markets Sanctions Act of 2025 would prohibit the purchase and sale of securities by any American person in companies that appear on various sanctions lists.

These lists include those that target human rights violators, companies that proliferate dangerous technologies, and those that have connections to the Chinese military and intelligence services.

A report found 144 sanctioned companies, or their affiliates, had made their way into major U.S. funds. Companies that have their business relations with the United States cut off or strictly restricted should not be allowed to sell securities in the US, or to US persons, whether directly or indirectly through a mutual fund or ETF.

This bill would also prohibit US persons from buying or selling securities in a firm that appears on a sanctions list, or that has an affiliate under common ownership or control on a relevant list.

No China in Index Funds Act

The No China in Index Funds Act would prohibit an index fund registered with the SEC from investing in any Chinese company.

There are unique difficulties in evaluating a risk of investing in China. If the company is based in China, it should not be in an American index fund, designed for passive investment by everyday Americans.

The No China in Index Funds Act would prohibit American index funds from investing in Chinese companies including Variable Interest Entities (VIEs) such as Alibaba Caymen Islands. The only value that a VIE has is a contract that ties it to its parent company. However, investors often believe they are investing in the parent company rather than a VIE.

The No China in Index Funds Act would protect investors by putting an end to the paint-by-numbers approach to investing in Chinese companies and prevent investors from being misled.

Bank Safety Act

The next bill, which I introduced last Congress that would address a shortcoming in our banking regulations that led to the three major bank failures in 2023.

The **Bank Safety Act** would prevent large banks over \$100 billion in assets from opting out of the requirement to recognize Accumulated Other Comprehensive Income (AOCI) in regulatory capital, which primarily reflects unrealized losses on available-for-sale securities.

No Federal Funds in Crypto Act

Cryptocurrencies are an inherently volatile and pose significant financial risks. The prospect of the federal government holding cryptocurrency—in any context—raises serious concerns about the stewardship of taxpayer dollars.

Beyond financial risks, crypto aids illicit activity and further complicates the federal government's role in holding these assets. Cryptocurrency has been used in terror financing, money laundering, tax evasion, etc. Permitting the federal government to hold or use these assets could indirectly facilitate the growth of these dangerous networks.

The No Federal Funds in Crypto Act ensures that the federal government does not invest in, buy, procure, or otherwise possess any form of cryptocurrency. Additionally, it mandates that any cryptocurrency acquired by the federal government by any means, including those seized in a law enforcement or judicial action, be liquidated within 180 days of acquisition/possession.

Chairman HILL. The gentleman yields back. The distinguished Ranking Member of our Housing and Insurance Subcommittee, Mr. Cleaver, you are recognized for 5 minutes.

**STATEMENT OF HON. EMANUEL CLEAVER, A
REPRESENTATIVE FROM THE STATE OF MISSOURI**

Mr. CLEAVER. Thank you, Mr. Chairman. I appreciate very much you giving us an opportunity to present our ideas, and I currently, as you mentioned, serve as Ranking Member on the Subcommittee on Housing and Insurance. In the 119th Congress, the subcommittee held three housing hearings. Several bipartisan bills, including legislation I have worked on to address exclusionary zoning, support manufactured housing, and the preservation of rural housing, were noticed.

The affordable housing crisis is fundamentally a supply and demand imbalance. Communities of all sizes need stronger public and private partnerships to preserve existing units and to bring millions of more new units online. On April 8, the Oversight Committee of this committee also heard from the Housing of Urban Development Inspector General (HUD IG). Much of the IG's testimony spoke to HUD's lack of capacity to address challenges. I echo Ranking Member Waters in stressing the importance of HUD Secretary Turner appearing before our members, before this committee.

Last Congress, during a Democratic Administration, I supported the HUD Accountability Act, which would require annual testimony from the HUD Secretary. This Congress, during a Republican Administration, Congressman Lawler and I introduced this legislation. Cuts to HUD programs and staff are damaging and create bottlenecks, not efficiency. Congress needs to provide the necessary oversight, improvements and resources. U.S. Department of Agriculture (USDA) also increases access to housing in rural areas. Congressman Nunn of Iowa and I are leading the Rural Housing Service Reform Act, which would save USDA affordable homeownership and rental programs. These are constructive directions for the committee.

Importantly, there is a bipartisan agreement that housing has been overregulated. State and local regulations drive up costs and make Federal investments less effective. I am sure that you are probably surprised to hear someone from my background saying that, but the Federal Government has also conditioned investments on compliance with massive amounts of additional regulations. In some cases, the cost of these requirements exceeds the funding provided. Housing programs include regulations related to achieving public benefits, related to such issues as minimum wage rates, environmental protection, or the sourcing of materials.

I support positive outcomes in these areas. However, I distinguish process from overcomes. The compliance process for achieving these outcomes is so burdensome that it can take years and exorbitant amounts of time and capital to execute an affordable housing project. This is something that Ezra Klein and Derek Thompson wrote at length about in their million seller book called "Abundance." I strongly urge every one of my colleagues to read that book.

In many cases, particularly when uncoordinated rules for each different program and agency are placed on small nonprofits, public housing authorities and minority housing developers, the ancillary public goals are not meaningfully advanced or, in many cases, being harmed. This committee should provide maximum support to efforts led by subcommittee Chair Flood and myself to strengthen HUD programs. This includes efforts to update HUD's Home and Community Development Black Grant (CDBG) programs. These programs are critically important to increasing housing supply in local communities. We have advocates, industry, and government in agreement that commonsense reforms can be made. I urge this committee to help facilitate constructive engagement with the administration in that process.

Thank you very much, Mr. Chairman, for this opportunity to testify.

[The prepared statement of Hon. Cleaver follows:]

Congressman Emanuel Cleaver, II
Financial Services Committee Member Day
Tuesday, June 24th, 2025
2128 Rayburn

Chairman Hill, Ranking Member Waters, and Colleagues, thank you for the opportunity to testify on key issues under the jurisdiction of the Committee.

I currently serve as Ranking Member of the Subcommittee on Housing and Insurance.

In the 119th Congress, the Subcommittee has held 3 housing hearings:

- A March 4th Hearing on housing supply
- A May 14th Hearing on housing innovation, and
- A June 12th Hearing on rural housing

Several bipartisan bills, including legislation I have worked on to address exclusionary zoning, support manufactured housing, and the preservation of rural housing were noticed.

The affordable housing crisis is fundamentally a supply and demand imbalance.

Communities of all sizes need stronger public and private partnerships capable of preserving existing units and of bringing millions more new units online.

On April 8th, the Oversight and Investigations Subcommittee of this Committee also heard from the HUD Acting Inspector General.

HUD plays a significant role in increasing access to housing, including through rental assistance programs.

Much of the IGs testimony spoke to HUDs lack of capacity to sufficiently work with the public and private sectors to address housing and homelessness challenges.

I echo Ranking Member Waters in stressing the importance of HUD Secretary Turner coming before our members.

Last Congress, during a Democratic Administration, I supported the *HUD Accountability Act* which would put a requirement for annual testimony of the Secretary of HUD in statute.

This Congress, during a Republican Administration, I joined Congressman Lawler of New York introducing an amended version of this bipartisan legislation.

Devastating cuts to programs and the agency does not create efficiency, programs and processes need deep evaluation.

And Congress needs to provide the necessary coordination, oversight and resources.

USDA also plays a significant role in increasing access to housing in rural areas.

Congressman Nunn of Iowa and I are leading the *Rural Housing Service Reform Act* which would preserve USDA supported homeownership and rental programs.

These are constructive directions for the Committee.

Additionally, there is a bipartisan agreement that housing has been overregulated.

State and local regulations are driving up costs and making federal investments less effective.

Ironically, the federal government responds by conditioning federal support on compliance with massive amounts of more regulation.

In some cases, the cost of these requirements exceeds the funding provided.

Housing programs include regulations related to achieving public benefits such as minimum wage rates, environmental protection, or the sourcing of materials.

I support positive outcomes in these areas.

However, I distinguish process from outcomes.

The compliance process for achieving these outcomes is so burdensome that it can take years and absorbent amounts of time and capital to execute an affordable housing project.

This is something that Ezra Klein and Derek Thompson wrote at length about in the book "Abundance."

In many cases, particularly when absorbent rules are placed on small non-profits, public housing authorities, and affordable housing projects, the ancillary public goals are not meaningfully advanced or, in many cases, are being hindered.

This Committee should provide maximum support to efforts, led by Subcommittee Chairman Flood and myself, to make HUD program reforms.

This includes efforts to update HUDs HOME and CDBG programs.

I urge this Committee to help facilitate constructive engagement with the Administration and solidify a constructive – and not destructive – approach to addressing housing challenges.

Thank you for the opportunity to testify today.

Chairman HILL. Thank you, Mr. Cleaver. Mr. Cleaver yields back. The gentleman from Texas, Mr. Green, you are recognized for 5 minutes.

**STATEMENT OF HON. AL GREEN, A REPRESENTATIVE FROM
THE STATE OF TEXAS**

Mr. GREEN. Thank you, Mr. Chairman. I greatly appreciate this privilege and would like to indicate that there are several pieces of legislation pending.

The original legislation awarding a Congressional Gold Medal collectively to Africans and their descendants enslaved in our country from August 20, 1619, to December 6, 1865. Mr. Chairman, in 1956, Congress, in its infinite wisdom, awarded a Congressional Gold Medal to Confederate soldiers. We have never given the proper respect that they have richly earned by virtue of sacrificing their lives for this country, and I am talking about the enslaved. I think it is time that they receive treatment similar to what the Confederate soldiers received: a Congressional Gold Medal. By the way, this is not required reparations. This is a means of saying we are expressing our appreciation.

The Reforming Disaster Recovery Act is a piece of legislation that Ms. Wagner and I co-authored. She initially had it and passed it to me, and we passed it back and forth. We passed it out of the House. The most significant thing that the legislation does is this: it codifies a process. Currently, after each disaster, we reinvent the wheel. We lose institutional knowledge. It makes it difficult to move efficaciously, quickly to deal with some of the needs of people who are suffering from a disaster that they did not cause.

The Shielding Community Banks from Systemic Risk Assessment Act, this is a piece of legislation that would help us with the small banks. The community banks, they do not create these huge problems that impact society, cause these systemic risks, but they have to pay for the actions of others, and that seems to be fairly consistent. I am sure you will find an example someplace where they were involved to some extent, but I think that we should do something to help these small banks.

The Systemic Risk Authority Transparency Act would require financial regulators to issue a report following the use of a systemic risk exception. We just had this piece of legislation before the committee, and I am very honored to say that Mr. Barr was very instrumental in helping this to get back to the committee and to get passed at the committee level. My trust and belief are that we should get it to the floor. This is a very valuable piece of legislation. It gives the public information about things that we should know, and they need to know as well.

The Financial Compensation for the CFPB Whistleblowers Act would require the Consumer Financial Protection Bureau to provide awards to whistleblowers who come forward with evidence of wrongdoing. It really is legislation that would incentivize whistleblowers to reveal evidence of unlawful activity, and I think that we all want to make sure that people who commit crimes—make sure they are prosecuted.

The Housing Fairness Act, another piece of legislation of importance, would expand the efforts to detect and address discrimina-

tion. There is still invidious discrimination in housing, and we have a program of testing with this legislation that would help us identify and to give people, first, a chance to correct their behavior, and if not, then some additional action can be taken, but the identification usually is enough to cause people to see that they should atone for transgressions.

The Fair Lending for All Act would create an Office of Fair Lending and Testing within the Consumer Financial Protection Bureau to expose invidious discrimination and hold predatory financial institutions and individuals accountable. This office would test financial institutions for compliance with the Equal Credit Opportunity Act, and this is quite similar to how the Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity tests for compliance with the Fair Housing Act.

I close with this, Mr. Chairman. All of this, and I think it is all important, but given that the people who were enslaved for almost 2-and-a-half centuries have never been respected, it just seems to me that it is about time for us to accord them respect, and what better way than to do for them what we did for the Confederate soldiers. I thank you. I yield back.

[The prepared statement of Hon. Green follows:]

Congressman Al Green
Testimony Before the U.S. House Financial Services Committee
Member Day
June 24, 2025

Chairman Hill and Ranking Member Waters, thank you for the opportunity to testify in today's hearing. I rise today to speak on the Original Legislation Awarding a Historic Congressional Gold Medal, Collectively, to Africans and Their Descendants Enslaved Within Our Country from August 20, 1619 to December 6, 1865; the Reforming Disaster Recovery Act; the Shielding Community Banks from Systemic Risk Assessments Act; H.R. 3716, the Systemic Risk Authority Transparency Act; the Financial Compensation for CFPB Whistleblowers Act; H.R. 68, the Housing Fairness Act of 2025; and H.R. 166, the Fair Lending for All Act.

The Original Legislation Awarding a Historic Congressional Gold Medal, Collectively, to Africans and Their Descendants Enslaved Within Our Country from August 20, 1619 to December 6, 1865, would award a Congressional Gold Medal to the foundational mothers and fathers of our country: the over 10 million enslaved men, women, and children who toiled for 240 years to build our nation's economic and infrastructural foundation.

The Reforming Disaster Recovery Act would codify into federal law the fundamental requirements and policy objectives of the Community Development Block Grant-Disaster Recovery (CDBG-DR) program. This legislation would ensure the timely and efficient distribution of relief funds appropriated by Congress to disaster victims.

The Shielding Community Banks from Systemic Risk Assessments Act would exempt community banks from any special assessment of the Federal Deposit Insurance Corporation following the use of a systemic risk exception.

The Systemic Risk Authority Transparency Act would require financial regulators to issue a report following the invocation of the systemic risk exception. This legislation would help inform the public about why regulators take certain measures following the collapse of financial institutions.

The Financial Compensation for CFPB Whistleblowers Act would require the Consumer Financial Protection Bureau to provide awards to whistleblowers who come forward with evidence of wrongdoing. This legislation would incentivize whistleblowers to reveal evidence of unlawful activity and help the Bureau better fulfill its mandate.

The Housing Fairness Act would expand efforts to detect and address housing discrimination. This legislation would require the Department of Housing and Urban Development (HUD) to conduct a nationwide testing program to detect and document differences in the treatment of prospective renters, homebuyers, or mortgage borrowers, as well as to measure the patterns and prevalence of such discriminatory practices across housing and mortgage lending markets.

The Fair Lending for All Act would create an Office of Fair Lending Testing within the Consumer Financial Protection Bureau to expose invidious discrimination and hold predatory financial institutions and individuals accountable. This office would test financial institutions for compliance with the Equal Credit Opportunity Act (ECOA), similarly to how the Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity tests for compliance with the Fair Housing Act.

Thank you for your consideration.

Chairman HILL. The gentleman yields back. Now let us turn to questions, and let me start first with you, Mr. Green. I want to thank you for your work for, I guess, 6 or 8 years, maybe longer, with Congresswoman Wagner about this HUD disaster fund issue, which is disaster recovery money that is in the HUD Bureau, in our jurisdiction. As it turns out, as you well know, but I think the record should show, it has never been authorized. It was essentially at one time a supplemental appropriation, and we have obviously refilled its coffers since after disasters, but I want to commend you on trying to put some clearer, more transparent rules of the road around this program and how it might work. I appreciate the gentlewoman from Missouri's work as well.

Is there some way it could be beneficial before a disaster in terms of a use by a city as opposed to only after a disaster? So much of our resilience money is only spent or targeted after the fact, and then from the testimony in this committee, frequently, the auditing on that money and the supervision of that money and the oversight of that money is frequently lacking. In your conversations, is there any way that we could think about that resilience funding being available to a city before they actually had a disaster?

Mr. GREEN. Thank you, Mr. Chairman, and I thank you again for acknowledging Ms. Wagner. She was a real champion in working to get this done. This legislation, currently, would help the smaller cities understand the process. I think that is important, too, because when the disaster hits, they find themselves trying to compile information, acquire empirical evidence of what they should do, and it is very difficult at that time when you have this disaster that you are dealing with to acquire information. Now, a city like Houston, which is huge, we have departments that can deal with these things, but they still need the help that we can accord.

I think that, yes, to be more specific, we should, if we can, keep a coffer that has an amount of funds in it, to be determined, that would give us the opportunity to move quickly with the immediate needs.

Chairman HILL. Mm-hmm.

Mr. GREEN. The immediate needs, and thereafter, we can deal with the long-term needs. I would be more than honored to work with the chairman to facilitate the development of this idea such that we might bring it to the committee at some point in the future.

Chairman HILL. Thank you, and I had one other follow up question for you on your community bank Federal Deposit Insurance Corporation (FDIC) assessment bill. Tell me again how it is structured. Does it lower the assessments for the smaller community banks and shift those assessment to the larger banks? I was not quite sure how it was structured.

Mr. GREEN. I do not want to say it shifts it.

Chairman HILL. Okay.

Mr. GREEN. I want to believe that it is placed where it should be—

Chairman HILL. Mm-hmm.

Mr. GREEN [continuing]. because the community banks, they are not really creating systemic risk. They are small. Now granted, in

number, they are large, but in terms of being capitalized compared to the major banks, they are insignificant. I just think that they do not assume responsibility for things that they do not create.

Chairman HILL. I appreciate that. I want to thank each of you for your advocacy today for these specific bill ideas, from foreign policy to crypto, to housing to housing affordability, to fair lending and community banks. I want to thank you each and let me yield back. Mr. Downing, do you have any questions?

Mr. DOWNING. No questions.

Chairman HILL. Mr. Downing does not have any questions, so I want to thank our panel for being with us this afternoon.

Without objection, all members will have 5 legislative days to submit additional written questions to the witnesses to the chair. The questions will be forwarded to the witnesses for the response. Witnesses, please respond no later than July 29, 2025.

[The information referred to can be found in the appendix.]

Chairman HILL. With that, our Member Day hearing is adjourned.

Mr. GREEN. Thank you, Mr. Chairman.

[Whereupon, at 3:45 p.m., the hearing was adjourned.]

APPENDIX

MATERIALS SUBMITTED FOR THE RECORD

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[118H4206RH]

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 (Original Signature of Member)

119TH CONGRESS
 1ST SESSION

H. R. _____

To amend the Financial Stability Act of 2010 to require covered financial institutions to include elements of accumulated other comprehensive income when calculating capital for purposes of meeting capital requirements, and for other purposes.

 IN THE HOUSE OF REPRESENTATIVES

Mr. SHERMAN introduced the following bill; which was referred to the
 Committee on _____

A BILL

To amend the Financial Stability Act of 2010 to require covered financial institutions to include elements of accumulated other comprehensive income when calculating capital for purposes of meeting capital requirements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Bank Safety Act of
 5 2024”.

1 **SEC. 2. CAPITAL REQUIREMENTS RELATING TO ACCUMU-**
 2 **LATED OTHER COMPREHENSIVE INCOME.**

3 (a) IN GENERAL.—Section 171 of the Financial Sta-
 4 bility Act of 2010 (12 U.S.C. 5371) is amended by adding
 5 at the end the following new subsection:

6 “(d) INCLUSION OF ELEMENTS OF ACCUMULATED
 7 OTHER COMPREHENSIVE INCOME.—

8 “(1) IN GENERAL.—The computation of capital
 9 for purposes of meeting capital requirements for a
 10 covered financial institution shall include AOCI.

11 “(2) DEFINITIONS.—In this subsection:

12 “(A) AOCI.—The term ‘AOCI’ means—

13 “(i) all accumulated other comprehen-
 14 sive income components, except for accu-
 15 mulated net gains and losses on cash flow
 16 hedges related to items that are not recog-
 17 nized at fair value; or

18 “(ii) such other definition as the Fed-
 19 eral banking agencies may establish, by
 20 rule.

21 “(B) COVERED FINANCIAL INSTITUTION.—

22 “(i) IN GENERAL.—The term ‘covered
 23 financial institution’ means—

24 “(I) a depository institution hold-
 25 ing company (as defined in section 3
 26 of the Federal Deposit Insurance Act)

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1 with total consolidated assets greater
2 than \$100,000,000,000;

3 “(II) an insured depository insti-
4 tution over which a bank holding com-
5 pany does not have control with total
6 consolidated assets greater than
7 \$100,000,000,000; or

8 “(III) such other category of de-
9 pository institution holding companies
10 or insured depository institutions as
11 may be jointly determined by the Fed-
12 eral banking agencies, by rule, based
13 on an analysis of financial risk-related
14 factors.

15 “(ii) EXCEPTION.—Unless the Board
16 of Governors determines it to be necessary
17 to ensure the safety and soundness of a
18 covered financial institution, the term ‘cov-
19 ered financial institution’ does not include
20 a savings and loan holding company—

21 “(I) that is substantially engaged
22 in insurance underwriting or commer-
23 cial activities; or

24 “(II) with respect to which the
25 Small Bank Holding Company and

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1 Savings and Loan Holding Company
2 Policy Statement of the Board of Gov-
3 ernors applies (12 CFR 225 app.
4 C).”.

5 (b) TRANSITION PROVISION.—

6 (1) IN GENERAL.—The Federal banking agen-
7 cies shall, jointly, establish a transition period for
8 the application of the requirement under subsection
9 (d) of section 171 of the Financial Stability Act of
10 2010 to a covered financial institution (including an
11 opt out institution) that—

12 (A) phases in such requirement over time;
13 and

14 (B) fully applies such requirement to cov-
15 ered financial institutions on or before July 1,
16 2029.

17 (2) DEFINITIONS.—In this subsection:

18 (A) COVERED FINANCIAL INSTITUTION.—
19 The term “covered financial institution” has
20 the meaning given that term under section
21 171(d) of the Financial Stability Act of 2010.

22 (B) FEDERAL BANKING AGENCY.—The
23 term “Federal banking agency” has the mean-
24 ing given that term under section 3 of the Fed-
25 eral Deposit Insurance Act (12 U.S.C. 1813).

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1 (C) OPT OUT INSTITUTION.—The term
2 “opt out institution” means a covered financial
3 institution that elected to opt out of the re-
4 quirement to report accumulated other com-
5 prehensive income components pursuant to the
6 rule titled “Changes to Applicability Thresholds
7 for Regulatory Capital and Liquidity Require-
8 ments” (84 Fed. Reg. 59230; November 1,
9 2019).

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[118H7757]

.....
 (Original Signature of Member)

119TH CONGRESS
 1ST SESSION

H. R. _____

To amend the Securities Exchange Act of 1934 to require disclosures with respect to certain financial risks relating to the People's Republic of China, and for other purposes.

 IN THE HOUSE OF REPRESENTATIVES

Mr. SHERMAN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Securities Exchange Act of 1934 to require disclosures with respect to certain financial risks relating to the People's Republic of China, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “China Risk Reporting
 5 Act”.

1 **SEC. 2. DISCLOSURE WITH RESPECT TO CERTAIN FINAN-**
2 **CIAL RISKS RELATING TO THE PEOPLE'S RE-**
3 **PUBLIC OF CHINA.**

4 (a) SENSE OF CONGRESS.—It is the sense of Con-
5 gress that investing in China poses unique risks that in-
6 vestors should carefully consider.

7 (b) ANNUAL DISCLOSURES.—Section 13 of the Secu-
8 rities Exchange Act of 1934 (15 U.S.C. 78m) is amended
9 by adding at the end the following:

10 “(t) DISCLOSURE WITH RESPECT TO CERTAIN FI-
11 NANCIAL RISKS RELATING TO THE PEOPLE’S REPUBLIC
12 OF CHINA.—

13 “(1) IN GENERAL.—Each issuer required to file
14 an annual report under subsection (a) shall include
15 in such report—

16 “(A) with respect to each covered foreign
17 market, a description (including quantification,
18 if possible) of—

19 “(i) the degree to which each supply
20 chain of such issuer relies upon or is ex-
21 posed to the covered foreign market; and

22 “(ii) the operations of such issuer in
23 the covered foreign market;

24 “(B) a narrative description of the issuer’s
25 China risk; and

1 “(C) if the issuer identifies a material
2 China risk, a narrative description with respect
3 to each China risk identified by the issuer of—

4 “(i) the actions the issuer has taken
5 or will take to minimize that China risk;
6 and

7 “(ii) the additional actions the issuer
8 may take to minimize that China risk if a
9 covered event occurs.

10 “(2) RULE OF CONSTRUCTION.—Nothing in
11 this subsection shall be construed to require an
12 issuer to—

13 “(A) disclose the assessment of such issuer
14 as to the likelihood that a covered event or any
15 China risk will occur; or

16 “(B) provide any third-party assessment of
17 such likelihood.

18 “(3) DEFINITIONS.—In this subsection:

19 “(A) CHINA RISK.—The term ‘China risk’
20 means an issuer’s exposure to material financial
21 consequences caused by the Chinese Communist
22 Party, the Government of the People’s Republic
23 of China, or firms or other entities operating in
24 the People’s Republic of China stemming from

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1 reasonably likely, imminent, or ongoing factors,
2 including—
3 “(i) consequences for the operations
4 of the issuer—
5 “(I) in a covered foreign market;
6 and
7 “(II) caused by disruptions to
8 supply chains, including supply chains
9 for—
10 “(aa) goods or services origi-
11 nating in a covered foreign mar-
12 ket; and
13 “(bb) goods transported
14 through or over the East China
15 Sea or South China Sea;
16 “(ii) devaluation, seizure, expropria-
17 tion, denial of access, or nationalization of
18 assets, including intellectual property, of
19 the issuer in a covered foreign market;
20 “(iii) imperfect rule of law, unequal or
21 imperfect enforcement of intellectual prop-
22 erty rights, or biased judicial proceedings;
23 “(iv) with respect to any equity in-
24 vestments the issuer has within a covered
25 foreign market, impediments to exercising

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1 full voting rights of American or non-Chi-
2 nese shareholders or any firm in which the
3 issuer has an equity investment taking ac-
4 tions against the interests of the firm's
5 shareholders in favor of the interests of the
6 Chinese Communist Party or the Govern-
7 ment of the People's Republic of China;
8 and

9 “(v) other material financial impact
10 on the operations of the issuer caused by
11 the Chinese Communist Party, the Govern-
12 ment of the People's Republic of China, or
13 firms or other entities operating in the
14 People's Republic of China.

15 “(B) COVERED EVENT.—The term ‘cov-
16 ered event’—

17 “(i) means a significant disruption to
18 the economic relations between the United
19 States and the People's Republic of China,
20 including—

21 “(I) a partial or full trade embar-
22 go of the People's Republic of China
23 by the United States (or vice versa);

24 “(II) trade or financial sanctions
25 imposed on the People's Republic of

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1 China by the United States (or vice
2 versa); and

3 “(III) the United States revoking
4 permanent normal trade relations
5 with the People’s Republic of China
6 (or vice versa); and

7 “(ii) includes disruptions resulting
8 from PRC military action against Taiwan.

9 “(C) COVERED FOREIGN MARKET.—The
10 term ‘covered foreign market’ means mainland
11 China, the Hong Kong special administrative
12 region, the Macau special administrative region,
13 Taiwan, Japan, Mongolia, the Democratic Peo-
14 ple’s Republic of Korea, and the Republic of
15 Korea.

16 “(D) MAINLAND CHINA.—The term ‘main-
17 land China’ means the People’s Republic of
18 China, excluding the Hong Kong special admin-
19 istrative region and the Macau special adminis-
20 trative region.

21 “(E) OPERATIONS.—The term ‘operations’
22 may include, with respect to an issuer required
23 to file an annual report under subsection (a),
24 the assets, personnel, sales and revenue, liabil-

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1 ities, technology, intellectual property, and
2 other notable ties or activities of such issuer.

3 “(F) PRC MILITARY ACTION AGAINST TAI-
4 WAN.—The term ‘PRC military action against
5 Taiwan’—

6 “(i) means a campaign of armed ag-
7 gression by the People’s Republic of China
8 against the Government of Taiwan (or the
9 territories under its control); and

10 “(ii) includes—

11 “(I) a firepower strike campaign;

12 “(II) an island landing campaign;

13 and

14 “(III) a full or partial blockade
15 (by sea or air).”.

16 (c) DISCLOSURE AT TIME OF REGISTRATION.—Sec-
17 tion 12(b) of the Securities Exchange Act of 1934 (15
18 U.S.C. 78l(b)) is amended by adding at the end the fol-
19 lowing:

20 “(4) The information described under section
21 13(t)(1).”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall take effect on the date that is 180 days
24 after the date of the enactment of this section.

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[118H7760]

.....
(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to treat certain gains and dividends derived from counties of concern as ordinary income.

IN THE HOUSE OF REPRESENTATIVES

Mr. SHERMAN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to treat certain gains and dividends derived from counties of concern as ordinary income.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No Capital Gains Al-
5 lowance for American Adversaries Act”.

1 **SEC. 2. CERTAIN GAINS AND DIVIDENDS DERIVED FROM**
2 **COUNTRIES OF CONCERN TREATED AS ORDI-**
3 **NARY INCOME.**

4 (a) IN GENERAL.—Part IV of subchapter P of chap-
5 ter 1 of the Internal Revenue Code of 1986 is amended
6 by adding at the end the following new section:

7 **“SEC. 1261. GAINS DERIVED FROM COUNTRIES OF CON-**
8 **CERN TREATED AS ORDINARY INCOME.**

9 “(a) IN GENERAL.—Gain from the sale, exchange, or
10 other disposition of specified country of concern property
11 shall be treated as ordinary income. Such gain shall be
12 recognized notwithstanding any other provision of this
13 title.

14 “(b) SPECIFIED COUNTRY OF CONCERN PROP-
15 erty.—For purposes of this section:

16 “(1) IN GENERAL.—The term ‘specified country
17 of concern property’ means—

18 “(A) any registered or unregistered secu-
19 rity of a company or other entity, as determined
20 by criteria established by the Securities and Ex-
21 change Commission and the Secretary of the
22 Treasury—

23 “(i) which is incorporated or otherwise
24 organized in a country of concern,

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1 “(ii) which has a majority of such
2 company or other entity’s assets or em-
3 ployees located in a country of concern,

4 “(iii) which is owned by, controlled by,
5 or subject to the jurisdiction or direction of
6 a government of a country of concern,

7 “(iv) where a majority of such com-
8 pany or other entity’s value depends on the
9 revenues, profits, market capitalization, as-
10 sets, or the value of a security (including
11 options to purchase or sell) of companies
12 or other entities described under clause (i),
13 (ii), or (iii), or

14 “(v) where such company or other en-
15 tity is controlled by any company or other
16 entity described under clause (i), (ii), or
17 (iii), and

18 “(B) any property (other than securities)
19 which is located or used in a country of con-
20 cern.

21 “(2) ADDITIONAL DEFINITIONS.—For purposes
22 of paragraph (1):

23 “(A) CONTROLLED BY.—The term ‘con-
24 trolled by’ has the meaning given that term

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1 under section 230.405 of title 17, Code of Fed-
2 eral Regulations.

3 “(B) COUNTRY OF CONCERN.—The term
4 ‘country of concern’ means the People’s Repub-
5 lic of China (including Hong Kong and Macao
6 and excluding Taiwan), Russia, Belarus, Iran,
7 and North Korea.”.

8 (b) DIVIDENDS.—Section 1(h)(11)(C)(iii) of such
9 Code is amended by striking “and” at the end of subclause
10 (I), by striking the period at the end of subclause (II) and
11 inserting “, and”, and by adding at the end the following
12 new subclause:

13 “(III) any foreign corporation de-
14 scribed in section 1261(b)(1)(A) as of
15 the date on which the dividend is
16 paid.”.

17 (c) DENIAL OF STEP-UP IN BASIS AT DEATH.—Sec-
18 tion 1014(a) of such Code is amended by striking “or”
19 at the end of paragraph (3), by striking the period at the
20 end of paragraph (4) and inserting “, or”, and by adding
21 at the end the following new paragraph:

22 “(5) in the case of specified country of concern
23 property (as defined in section 1261(b)), the basis in
24 the hands of the decedent.”.

1 (d) NOTICE TO PURCHASERS.—Not later than 180
2 days after the date of the enactment of this Act, the Secu-
3 rities and Exchange Commission shall issue rules requir-
4 ing any person selling, exchanging, or otherwise disposing
5 of a security that is specified country of concern property
6 (as defined under section 1261(b) of the Internal Revenue
7 Code of 1986) to notify the other party to such sale, ex-
8 change, or disposition that any gains related to such secu-
9 rity are treated as ordinary income under the Internal
10 Revenue Code of 1986 and not treated as capital gains.

11 (e) PUBLICLY AVAILABLE LIST OF SECURITIES.—

12 (1) IN GENERAL.—The Securities and Ex-
13 change Commission shall publish on the website of
14 the Commission a list of all securities described
15 under section 1261(b)(1)(A) of the Internal Revenue
16 Code of 1986.

17 (2) REPORTING REQUIREMENTS.—The Securi-
18 ties and Exchange Commission may require such re-
19 ports as the Commission determines necessary to de-
20 termine which securities are described under section
21 1261(b)(1)(A) of the Internal Revenue Code of
22 1986.

23 (f) RULEMAKING.—Not later than 180 days after the
24 date of the enactment of this Act, the Secretary of the
25 Treasury and the Securities and Exchange Commission

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1 shall issue such rules as may be necessary to implement
2 this Act and the amendments made by this Act, including
3 establishing the criteria described under section
4 1261(b)(1)(A) of the Internal Revenue Code of 1986.

5 (g) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to dispositions of property, and
7 dividends paid, on or after January 1, 2026.

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[118H7758]

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 (Original Signature of Member)

119TH CONGRESS
 1ST SESSION

H. R. _____

To prohibit index funds from investing in Chinese companies, and for other purposes.

 IN THE HOUSE OF REPRESENTATIVES

Mr. SHERMAN introduced the following bill; which was referred to the
 Committee on _____

A BILL

To prohibit index funds from investing in Chinese companies,
 and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No China in Index
 5 Funds Act”.

6 **SEC. 2. PROHIBITION.**

7 (a) IN GENERAL.—An index fund may not invest in
 8 a Chinese company.

1 (b) DIVESTMENT PERIOD SAFE HARBOR.—With re-
2 spect to an index fund with an investment in a Chinese
3 company on the date of enactment of this Act, subsection
4 (a) shall not apply to such investment during the 180-
5 day period beginning on the date of enactment of this Act.

6 (c) CIVIL PENALTY.—

7 (1) IN GENERAL.—Any person who violates this
8 section shall be subject to a civil penalty in an
9 amount not to exceed the greater of—

10 (A) \$250,000; or

11 (B) an amount that is twice the amount of
12 the transaction that is the basis of the violation
13 with respect to which the penalty is imposed.

14 (2) AMOUNT OF A TRANSACTION DEFINED.—

15 For purposes of paragraph (1)(B), the term
16 “amount of a transaction” means—

17 (A) with respect to a purchase that violates
18 this section, the purchase price; and

19 (B) with respect to the holding of an in-
20 vestment that violates this section, the fair mar-
21 ket value of the investment at the time of the
22 violation.

23 (d) RULEMAKING.—The Securities and Exchange
24 Commission may issue such rules as may be necessary to
25 carry out this section.

1 (e) DEFINITIONS.—In this section:

2 (1) CHINESE COMPANY.—The term “Chinese
3 company” means a company—

4 (A) incorporated or otherwise organized in
5 China;

6 (B) that has a majority of its assets or em-
7 ployees located in China;

8 (C) owned by, controlled by, or subject to
9 the jurisdiction or direction of the government
10 of the People’s Republic of China;

11 (D) where a majority of the company’s
12 value depends on the revenues, profits, market
13 capitalization, assets, or the value of a security
14 (including options to purchase or sell) of a com-
15 pany described under subparagraph (A), (B), or
16 (C), as determined by the Securities and Ex-
17 change Commission; or

18 (E) where a company described under sub-
19 paragraph (A), (B), or (C) has control, as de-
20 fined under section 230.405 of title 17, Code of
21 Federal Regulations, of the company, as deter-
22 mined by the Securities and Exchange Commis-
23 sion.

24 (2) HEDGE FUND.—The term “hedge fund”
25 means an issuer that would be an investment com-

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1 pany but for paragraph (1) or (7) of section 3(c) of
2 the Investment Company Act of 1940 (15 U.S.C.
3 80a-3(c)).

4 (3) INDEX FUND.—The term “index fund”
5 means an investment company or hedge fund that is
6 designed to track an index of securities or a portion
7 of such an index.

8 (4) INVESTMENT COMPANY.—The term “invest-
9 ment company” has the meaning given that term
10 under section 3 of the Investment Company Act of
11 1940 (15 U.S.C. 80a-3).

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 (Original Signature of Member)

119TH CONGRESS
 1ST SESSION

H. R. _____

To prohibit the Federal Government from investing in cryptocurrency, and
 for other purposes.

 IN THE HOUSE OF REPRESENTATIVES

Mr. SHERMAN introduced the following bill; which was referred to the
 Committee on _____

A BILL

To prohibit the Federal Government from investing in
 cryptocurrency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No Federal Funds in
 5 Crypto Act”.

6 **SEC. 2. PROHIBITION ON FEDERAL GOVERNMENT INVEST-**
 7 **MENT IN CRYPTOCURRENCY.**

8 (a) IN GENERAL.—Notwithstanding any other provi-
 9 sion of law, the Federal Government, the Board of Gov-

1 errors of the Federal Reserve System, and a Federal re-
2 serve bank may not invest in, buy, procure, or otherwise
3 possess any cryptocurrency.

4 (b) LIQUIDATION.—Not later than 180 days after the
5 date that the Federal Government, the Board, or such a
6 bank comes into possession of any cryptocurrency, the
7 Federal Government, the Board, or such bank (as the case
8 may be) shall sell or otherwise dispose of the
9 cryptocurrency in accordance with Federal law.

10 (c) CRYPTOCURRENCY DEFINED.—In this section,
11 the term “cryptocurrency” means any fungible digital rep-
12 resentation of value that can be exclusively possessed and
13 transferred, person to person, without necessary reliance
14 on an intermediary, and is recorded on a cryptographically
15 secured public distributed ledger.

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 (Original Signature of Member)

119TH CONGRESS
 1ST SESSION

H. R. _____

To prohibit the purchase of certain securities from covered entities, and
 for other purposes.

 IN THE HOUSE OF REPRESENTATIVES

Mr. SHERMAN introduced the following bill; which was referred to the
 Committee on _____

A BILL

To prohibit the purchase of certain securities from covered
 entities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “PRC Military and
 5 Human Rights Capital Markets Sanctions Act of 2025”.

6 **SEC. 2. PROHIBITION ON PURCHASE OF CERTAIN SECURI-**
 7 **TIES FROM COVERED ENTITIES.**

8 (a) IN GENERAL.—Not later than 90 days after the
 9 date of the enactment of this Act, the President shall—

1 (1) compile and maintain a single list of cov-
2 ered entities;

3 (2) where possible, include in the list a unique
4 identification number for each covered entity, such
5 as a Committee on Uniform Securities Identification
6 Procedures number or a Stock Exchange Daily Offi-
7 cial List number;

8 (3) make such list available to the public; and

9 (4) publicly identify and prohibit the purchase,
10 sale, or holding by a United States person (as de-
11 fined under section 560.314 of title 31, Code of Fed-
12 eral Regulations) of a—

13 (A) publicly traded security issued by a
14 covered entity;

15 (B) publicly traded security that is deriva-
16 tive of a publicly traded security issued by a
17 covered entity; and

18 (C) security that provides investment expo-
19 sure to a publicly traded security issued by a
20 covered entity.

21 (b) DIVESTMENT REQUIRED.—

22 (1) IN GENERAL.—Notwithstanding subsection
23 (a), a United States person shall divest of all securi-
24 ties described in subsection (a)—

1 (A) with respect to a security identified by
2 the President under subsection (a) before the
3 end of the 90-day period beginning on the date
4 of the enactment of this Act, not later than 180
5 days after the date of the enactment of this
6 Act; and

7 (B) with respect to a security identified by
8 the President under subsection (a) after the end
9 of the 90-day period beginning on the date of
10 the enactment of this Act, not later than 180
11 days after the date of such identification.

12 (2) FACILITATING DIVESTMENT TRANS-
13 ACTIONS.—Subsection (a) shall not apply to a
14 United States person to the extent the person is fa-
15 cilitating the divestment of securities described
16 under paragraph (1).

17 (c) PENALTIES.—

18 (1) IN GENERAL.—A United States person that
19 violates, attempts to violate, conspires to violate, or
20 causes a violation of this Act shall be subject to the
21 following penalties:

22 (A) A civil penalty in an amount not to ex-
23 ceed the greater of—

24 (i) \$250,000; or

1 (ii) an amount that is twice the
2 amount of the transaction that is the basis
3 of the violation with respect to which the
4 penalty is imposed.

5 (B) With respect to a United States person
6 that willfully violates, willfully attempts to vio-
7 late, willfully conspires to violate, or aids or
8 abets in the commission of a violation of this
9 Act shall be subject to a criminal penalty—

10 (i) of a fine of not more than
11 \$1,000,000; or

12 (ii) if such United States person is an
13 individual, a fine of not more than
14 \$1,000,000, a term of imprisonment of not
15 more than 20 years, or both.

16 (2) AMOUNT OF A TRANSACTION DEFINED.—
17 For purposes of paragraph (1)(A)(ii), the term
18 “amount of a transaction” means—

19 (A) with respect to a purchase that violates
20 this Act, the purchase price;

21 (B) with respect to a sale that violates this
22 Act, the sale price; and

23 (C) with respect to the holding of a secu-
24 rity that violates this Act, the fair market value
25 of the security at the time of the violation.

1 (d) COVERED ENTITY DEFINED.—

2 (1) IN GENERAL.—In this section, the term
3 “covered entity” means the following:

4 (A) Any person that is on the list of Spe-
5 cially Designated Nationals and Blocked Per-
6 sons maintained by the Office of Foreign Assets
7 Control of the Department of the Treasury, or
8 any person under common ownership or control
9 of such person.

10 (B) Any person on the Non-SDN Chinese
11 Military-Industrial Complex Companies List
12 (NS-CMIC List) maintained by the Office of
13 Foreign Assets Control of the Department of
14 the Treasury under Executive Order 14032 (86
15 Fed. Reg. 30145; relating to addressing the
16 threat from securities investments that finance
17 certain companies of the People’s Republic of
18 China), or any person under common ownership
19 or control of such person.

20 (C) Any person that is a Chinese military
21 company or a military-civil fusion contributor
22 and included on the list maintained by the De-
23 partment of Defense in accordance with section
24 1260H(b) of the National Defense Authoriza-
25 tion Act for Fiscal Year 2021 (10 U.S.C. 113

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1 note) as of the date of the enactment of this
2 Act, or any person under common ownership or
3 control of such person.

4 (D) Any person that is a Chinese person
5 and with respect to which sanctions have been
6 imposed under the under the Global Magnitsky
7 Human Rights Accountability Act (22 U.S.C.
8 10101 et seq.), or any person under common
9 ownership or control of such person.

10 (E) Any person that is a Chinese person
11 whose goods have been the subject of a With-
12 hold Release Order pursuant to section 307 of
13 the Tariff Act of 1930 (19 U.S.C. 1307) during
14 the 2-year period ending on the date of the en-
15 actment of this Act, or any person under com-
16 mon ownership or control of such person.

17 (F) Any person that is Chinese entity list-
18 ed on the Entity List set forth in Supplement
19 No. 4 to part 744 of the Export Administration
20 Regulations.

21 (G) Any Chinese person on the Uyghur
22 Forced Labor Prevention Act Entity List,
23 maintained by the Department of Homeland
24 Security, or any person under common owner-
25 ship or control of such person.

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1 (H) Any Chinese person on the Military
2 End User List maintained by the Department
3 of Commerce (Supplement 7 to part 744 of
4 chapter VII, subchapter C of title 15, Code of
5 Federal Regulations), or any person under com-
6 mon ownership or control of such person.
7 (2) CONTROL.—For purposes of paragraph (1),
8 the term “control” has the meaning given that term
9 under section 230.405 of title 17, Code of Federal
10 Regulations.

.....
(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To posthumously award a historic Congressional Gold Medal, collectively,
to Africans and their descendants enslaved within our country from
August 20, 1619, to December 6, 1865.

IN THE HOUSE OF REPRESENTATIVES

Mr. GREEN of Texas introduced the following bill; which was referred to the
Committee on _____

A BILL

To posthumously award a historic Congressional Gold Medal,
collectively, to Africans and their descendants enslaved
within our country from August 20, 1619, to December
6, 1865.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “The original legislation
5 awarding a historic Congressional Gold Medal, collectively,
6 to Africans and their descendants enslaved within our
7 country from August 20, 1619, to December 6, 1865”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Human beings were systematically abducted
4 from the continent of Africa and placed against their
5 will onto ships that would cross the Atlantic Ocean.

6 (2) These persons were chained within the
7 holds of ships in horrendous conditions for the dura-
8 tion of the transatlantic journey, which lasted up to
9 six months.

10 (3) Upon arrival in North America, they were
11 forced into labor among the English and European
12 colonies that would later become the United States.

13 (4) Their enslavement was concentrated on
14 farms and plantations that produced crops such as
15 cotton, tobacco, and sugar cane.

16 (5) The practice of slavery continued up to and
17 past the eventual American Revolution against Eng-
18 land and the founding of the United States of Amer-
19 ica.

20 (6) In the ensuing decades, slavery persisted
21 primarily in States where the economy was based
22 significantly on farming.

23 (7) The treatment of enslaved people continued
24 to be horrendous in nature, including exploitation,
25 family separation, rape, torture, and degradation,
26 among other cruelties.

1 (8) Slave labor was essential to the functioning
2 of many farms and plantations and therefore was es-
3 sential to the growth of the United States economy
4 as a whole.

5 (9) Slave labor was used to build notable build-
6 ings and monuments in the United States, including
7 the United States Capitol Building, the White
8 House, the Washington Monument, Mount Vernon,
9 which was the home of George Washington, and
10 Monticello, which was the home of Thomas Jeffer-
11 son.

12 (10) The profits from and involvement of slave
13 labor were also essential to the construction of the
14 Smithsonian Institution, Wall Street, Harvard Uni-
15 versity, Georgetown University, and Fort Sumter.

16 (11) It has been estimated that the total eco-
17 nomic value of slave labor is between \$5.9 trillion
18 and \$14.2 trillion in 2009 dollars.

19 (12) The United States became increasingly di-
20 vided between slaveholding and non-slaveholding
21 States and territories, including as to whether slav-
22 ery should be expanded to new States and territories
23 or abolished altogether.

24 (13) The secession of States from the United
25 States began on December 20, 1860, and led to the

1 formation of the Confederate States of America on
2 February 4, 1861.

3 (14) The American Civil War began on April
4 12, 1861, with the attack on Fort Sumter by Con-
5 federate forces.

6 (15) On January 1, 1863, President Abraham
7 Lincoln issued the Emancipation Proclamation de-
8 claring that “all persons held as slaves” in Confed-
9 erate States “henceforward shall be free”.

10 (16) After four years of grueling battle and
11 conflict, the Civil War concluded with the surrender
12 of the commander of the Confederate forces on April
13 9, 1865, although fighting continued until November
14 6, 1865, and the Civil War was proclaimed to be
15 over by President Andrew Johnson on August 20,
16 1866.

17 (17) The 13th Amendment to the United States
18 Constitution abolishing slavery passed the Congress
19 on January 31, 1865, and was ratified by the re-
20 quired number of States on December 6, 1865.

21 (18) The text of the 13th Amendment states
22 that, “Neither slavery nor involuntary servitude, ex-
23 cept as a punishment for crime whereof the party
24 shall have been duly convicted, shall exist within the

1 United States, or any place subject to their jurisdic-
2 tion.”.

3 (19) The use of slave labor over hundreds of
4 years resulted in immense suffering and deprivation
5 among the people who fell victim to these abhorrent
6 practices.

7 (20) At the same time, the extensive, long-term
8 use of unpaid labor advantaged the United States
9 economy immeasurably.

10 **SEC. 3. CONGRESSIONAL GOLD MEDAL.**

11 (a) AWARD AUTHORIZED.—The Speaker of the
12 House of Representatives and the President pro tempore
13 of the Senate shall make appropriate arrangements for the
14 award, on behalf of the Congress, of a gold medal of ap-
15 propriate design dedicated to the enslaved persons collec-
16 tively in recognition of their service as the greatest con-
17 tributors to the foundation of America’s economic great-
18 ness.

19 (b) DESIGN AND STRIKING.—For the purposes of the
20 award referred to in subsection (a), the Secretary of the
21 Treasury shall strike the gold medal with suitable em-
22 blems, devices, and inscriptions, to be determined by the
23 Secretary.

24 (c) SMITHSONIAN INSTITUTION.—Following the
25 award of the gold medal described in subsection (a), the

1 gold medal shall be given to the Smithsonian Institution,
2 where it will be displayed at the National Museum of Afri-
3 can American History & Culture and made available for
4 research.

5 **SEC. 4. DUPLICATE MEDALS.**

6 (a) IN GENERAL.—The Secretary may strike and sell
7 duplicates in bronze of the gold medal struck under sec-
8 tion 3, at a price sufficient to cover the costs of the bronze
9 medals, including labor, materials, dies, use of machinery,
10 and overhead expenses.

11 (b) PROCEEDS OF SALES.—The amounts received
12 from the sale of duplicate medals under subsection (a)
13 shall be deposited in the United States Mint Public Enter-
14 prise Fund.

15 (c) AUTHORITY TO USE FUND AMOUNTS.—There is
16 authorized to be charged against the United States Mint
17 Public Enterprise Fund such amounts as may be nec-
18 essary to pay for the costs of the medals struck under
19 this Act.

20 **SEC. 5. STATUS OF MEDALS.**

21 The gold medal struck pursuant to this Act is a na-
22 tional medal for purposes of chapter 51 of title 31, United
23 States Code.

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1 SEC. 6. DETERMINATION OF BUDGETARY EFFECTS.

2 The budgetary effects of this Act, for the purpose of
3 complying with the Statutory Pay-As-You-Go Act of 2010,
4 shall be determined by reference to the latest statement
5 titled “Budgetary Effects of PAYGO Legislation” for this
6 Act, submitted for printing in the Congressional Record
7 by the Chairman of the House Budget Committee, pro-
8 vided that such statement has been submitted prior to the
9 vote on passage.

[118H5940]

.....
 (Original Signature of Member)

119TH CONGRESS
 1ST SESSION

H. R. _____

To establish a community disaster assistance fund for housing and community development and to authorize the Secretary of Housing and Urban Development to provide, from the fund, assistance through a community development block grant disaster recovery program, and for other purposes.

 IN THE HOUSE OF REPRESENTATIVES

Mr. GREEN of Texas introduced the following bill; which was referred to the Committee on _____

A BILL

To establish a community disaster assistance fund for housing and community development and to authorize the Secretary of Housing and Urban Development to provide, from the fund, assistance through a community development block grant disaster recovery program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Reforming Disaster
 5 Recovery Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) following a major disaster declared by the
4 President under section 401 of the Robert T. Staf-
5 ford Disaster Relief and Emergency Assistance Act
6 (42 U.S.C. 5170), the subset of communities that
7 are most impacted and distressed as a result of the
8 disaster face critical social, economic, and environ-
9 mental obstacles to recovery, including insufficient
10 public and private resources to address disaster-re-
11 lated housing and community development needs for
12 lower income households and distressed commu-
13 nities;

14 (2) unmet disaster recovery needs, including
15 housing assistance needs, can be especially wide-
16 spread among persons with extremely low-, low-, and
17 moderate-incomes;

18 (3) economic, social, and housing hardships
19 that affect communities before disasters are exacer-
20 bated during crises and can delay and complicate
21 long-term recovery, especially after catastrophic
22 major disasters;

23 (4) States, units of local government, and In-
24 dian Tribes within the most impacted and distressed
25 areas resulting from major disasters benefit from
26 flexibility to design programs that meet local needs,

1 but face inadequate financial, technical, and staffing
2 capacity to plan and carry out sustained recovery,
3 restoration, and mitigation activities;

4 (5) the speed and effectiveness considerations of
5 long-term recovery from catastrophic major disasters
6 is improved by predictable investments that support
7 disaster relief, long-term recovery, restoration of
8 housing and infrastructure, and economic revitaliza-
9 tion, primarily for the benefit of low- and moderate-
10 income persons;

11 (6) undertaking activities that mitigate the ef-
12 fects of future natural disasters and extreme weath-
13 er and increase the stock of affordable housing, in-
14 cluding affordable rental housing, as part of long-
15 term recovery can significantly reduce future fiscal
16 and social costs, especially within high-risk areas,
17 and can help to address outstanding housing and
18 community development needs by creating jobs and
19 providing other economic and social benefits within
20 communities that further promote recovery and resil-
21 ience; and

22 (7) the general welfare and security of the
23 United States and the health and living standards of
24 its people require targeted resources to support
25 State and local governments in carrying out their re-

1 sponsibilities in disaster recovery and mitigation
2 through interim and long-term housing and commu-
3 nity development activities that primarily benefit
4 low- and moderate-income persons.

5 **SEC. 3. DEFINITIONS.**

6 In this Act:

7 (1) DEPARTMENT.—The term “Department”
8 means the Department of Housing and Urban De-
9 velopment.

10 (2) FUND.—The term “Fund” means the
11 Long-Term Disaster Recovery Fund established
12 under section 5.

13 (3) SECRETARY.—The term “Secretary” means
14 the Secretary of Housing and Urban Development.

15 **SEC. 4. DUTIES OF THE DEPARTMENT OF HOUSING AND**
16 **URBAN DEVELOPMENT.**

17 (a) IN GENERAL.—The offices and officers of the De-
18 partment shall be responsible for—

19 (1) leading and coordinating the disaster-re-
20 lated responsibilities of the Department under the
21 National Response Framework, the National Dis-
22 aster Recovery Framework, and the National Mitiga-
23 tion Framework;

24 (2) coordinating and administering programs,
25 policies, and activities of the Department related to

1 disaster relief, long-term recovery, resiliency, and
2 mitigation, including disaster recovery assistance
3 under title I of the Housing and Community Devel-
4 opment Act of 1974 (42 U.S.C. 5301 et seq.);

5 (3) supporting disaster-impacted communities
6 as those communities specifically assess, plan for,
7 and address the housing stock and housing needs in
8 the transition from emergency shelters and interim
9 housing to permanent housing of those displaced, es-
10 pecially among vulnerable populations and extremely
11 low-, low-, and moderate-income households;

12 (4) collaborating with the Federal Emergency
13 Management Agency and the Small Business Ad-
14 ministration and across the Department to align dis-
15 aster-related regulations and policies, including in-
16 corporation of consensus-based codes and standards
17 and insurance purchase requirements, and ensuring
18 coordination and reducing duplication among other
19 Federal disaster recovery programs;

20 (5) promoting best practices in mitigation and
21 land use planning, including consideration of tradi-
22 tional, natural, and nature-based infrastructure al-
23 ternatives;

24 (6) coordinating technical assistance, including
25 mitigation, resiliency, and recovery training and in-

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1 formation on all relevant legal and regulatory re-
2 quirements, to entities that receive disaster recovery
3 assistance under title I of the Housing and Commu-
4 nity Development Act of 1974 (42 U.S.C. 5301 et
5 seq.) that demonstrate capacity constraints; and

6 (7) supporting State, Tribal, and local govern-
7 ments in developing, coordinating, and maintaining
8 their capacity for disaster resilience and recovery
9 and developing pre-disaster recovery and hazard
10 mitigation plans, in coordination with the Federal
11 Emergency Management Agency and other Federal
12 agencies.

13 (b) ESTABLISHMENT OF THE OFFICE OF DISASTER
14 MANAGEMENT AND RESILIENCY.—Section 4 of the De-
15 partment of Housing and Urban Development Act (42
16 U.S.C. 3533) is amended by adding at the end the fol-
17 lowing:

18 “(i) OFFICE OF DISASTER MANAGEMENT AND RE-
19 SILIENCY.—

20 “(1) ESTABLISHMENT.—There is established,
21 in the Office of the Secretary, the Office of Disaster
22 Management and Resiliency.

23 “(2) DUTIES.—The Office of Disaster Manage-
24 ment and Resiliency shall—

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1 “(A) be responsible for oversight and co-
2 ordination of all departmental disaster pre-
3 paredness and response responsibilities; and

4 “(B) coordinate with the Federal Emer-
5 gency Management Agency, the Small Business
6 Administration, and the Office of Community
7 Planning and Development and other offices of
8 the Department in supporting recovery and re-
9 silience activities to provide a comprehensive
10 approach in working with communities.”.

11 **SEC. 5. LONG-TERM DISASTER RECOVERY FUND.**

12 (a) ESTABLISHMENT.—There is established in the
13 Treasury of the United States an account to be known
14 as the Long-Term Disaster Recovery Fund.

15 (b) DEPOSITS, TRANSFERS, AND CREDIT.—

16 (1) IN GENERAL.—The Fund shall consist of
17 amounts appropriated, transferred, and credited to
18 the Fund.

19 (2) TRANSFERS.—The following may be trans-
20 ferred to the Fund:

21 (A) Amounts made available through sec-
22 tion 106(c)(4) of the Housing and Community
23 Development Act of 1974 (42 U.S.C.
24 5306(c)(4)) as a result of actions taken under
25 section 104(e), 111, or 123(j) of such Act.

1 (B) Any unobligated balances available
2 until expended remaining or subsequently re-
3 captured from amounts appropriated for any
4 disaster and related purposes under the heading
5 “Community Development Fund” in any Act
6 prior to the establishment of the Fund.

7 (3) USE OF TRANSFERRED AMOUNTS.—
8 Amounts transferred to the Fund shall be used for
9 the eligible uses described in subsection (c).

10 (c) ELIGIBLE USES OF FUND.—

11 (1) IN GENERAL.—Amounts in the Fund shall
12 be available—

13 (A) to provide assistance in the form of
14 grants under section 123 of the Housing and
15 Community Development Act of 1974, as added
16 by section 6; and

17 (B) for activities of the Department that
18 support the provision of such assistance, includ-
19 ing necessary salaries and expenses, informa-
20 tion technology, capacity building and technical
21 assistance (including assistance related to pre-
22 disaster planning), and readiness and other pre-
23 disaster planning activities that are not readily
24 attributable to a single major disaster.

1 (2) SET ASIDE.—Of each amount appropriated
2 for or transferred to the Fund, 2 percent shall be
3 made available for activities described in paragraph
4 (1)(B), which shall be in addition to other amounts
5 made available for those activities.

6 (3) TRANSFER OF FUNDS.—Amounts made
7 available for use in accordance with paragraph (2)—

8 (A) may be transferred to the account
9 under the heading for “Program Offices—Com-
10 munity Planning and Development”, or any
11 successor account, for the Department to carry
12 out activities described in paragraph (1)(B);
13 and

14 (B) may be used for the activities de-
15 scribed in paragraph (1)(B) and for the admin-
16 istrative costs of administering any funds ap-
17 propriated to the Department under the head-
18 ing “Community Planning and Development—
19 Community Development Fund” for any major
20 disaster declared under section 401 of the Rob-
21 ert T. Stafford Disaster Relief and Emergency
22 Assistance Act (42 U.S.C. 5170) in any Act be-
23 fore the establishment of the Fund.

24 (d) INTERCHANGEABILITY OF PRIOR ADMINISTRA-
25 TIVE AMOUNTS.—Any amounts appropriated in any Act

1 prior to the establishment of the Fund and transferred
2 to the account under the heading “Program Offices Sala-
3 ries and Expenses—Community Planning and Develop-
4 ment”, or any predecessor account, for the Department
5 for the costs of administering funds appropriated to the
6 Department under the heading “Community Planning and
7 Development—Community Development Fund” for any
8 major disaster declared under section 401 of the Robert
9 T. Stafford Disaster Relief and Emergency Assistance Act
10 (42 U.S.C. 5170) shall be available for the costs of admin-
11 istering any such funds provided by any prior or future
12 Act, notwithstanding the purposes for which those
13 amounts were appropriated and in addition to any amount
14 provided for the same purposes in other appropriations
15 Acts.

16 (e) AVAILABILITY OF AMOUNTS.—Amounts appro-
17 priated, transferred, and credited to the Fund shall re-
18 main available until expended.

19 (f) FORMULA ALLOCATION.—Use of amounts in the
20 Fund for grants shall be made by formula allocation in
21 accordance with the requirements of section 123(a) of the
22 Housing and Community Development Act of 1974, as
23 added by section 6.

24 (g) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated to the Fund such sums

1 as may be necessary to respond to current or future major
 2 disasters declared under section 401 of the Robert T.
 3 Stafford Disaster Relief and Emergency Assistance Act
 4 (42 U.S.C. 5179) for grants under section 123 of the
 5 Housing and Community Development Act of 1974, as
 6 added by section 6.

7 **SEC. 6. ESTABLISHMENT OF CDBG DISASTER RECOVERY**
 8 **PROGRAM.**

9 Title I of the Housing and Community Development
 10 Act of 1974 (42 U.S.C. 5301 et seq.) is amended—

11 (1) in section 102(a) (42 U.S.C. 5302(a))—

12 (A) in paragraph (20)—

13 (i) by redesignating subparagraph (B)
 14 as subparagraph (C);

15 (ii) in subparagraph (C), as so redes-
 16 ignated, by inserting “or (B)” after “sub-
 17 paragraph (A)”; and

18 (iii) by inserting after subparagraph
 19 (A) the following:

20 “(B) The term ‘persons of extremely low in-
 21 come’ means families and individuals whose income
 22 levels do not exceed household income levels deter-
 23 mined by the Secretary under section 3(b)(2) of the
 24 United States Housing Act of 1937 (42 U.S.C.
 25 1437a(b)(2)(C)), except that the Secretary may pro-

1 vide alternative definitions for the Commonwealth of
2 Puerto Rico, Guam, the Commonwealth of the
3 Northern Mariana Islands, the United States Virgin
4 Islands, and American Samoa.”; and

5 (B) by adding at the end the following:

6 “(25) The term ‘major disaster’ has the mean-
7 ing given the term in section 102 of the Robert T.
8 Stafford Disaster Relief and Emergency Assistance
9 Act (42 U.S.C. 5122).”;

10 (2) in section 106(c)(4) (42 U.S.C.
11 5306(c)(4))—

12 (A) in subparagraph (A)—

13 (i) by striking “declared by the Presi-
14 dent under the Robert T. Stafford Disaster
15 Relief and Emergency Assistance Act”;

16 (ii) inserting “States for use in non-
17 entitlement areas and to” before “metro-
18 politan cities”; and

19 (iii) inserting “major” after “affected
20 by the”;

21 (B) in subparagraph (C)—

22 (i) by striking “metropolitan city or”
23 and inserting “State, metropolitan city,
24 or”;

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- 1 (ii) by striking “city or county” and
 2 inserting “State, city, or county”; and
 3 (iii) by inserting “major” before “dis-
 4 aster”;
- 5 (C) in subparagraph (D), by striking “met-
 6 ropolitan cities and” and inserting “States,
 7 metropolitan cities, and”;
- 8 (D) in subparagraph (F)—
- 9 (i) by striking “metropolitan city or”
 10 and inserting “State, metropolitan city,
 11 or”; and
- 12 (ii) by inserting “major” before “dis-
 13 aster”; and
- 14 (E) in subparagraph (G), by striking “met-
 15 ropolitan city or” and inserting “State, metro-
 16 politan city, or”;
- 17 (3) in section 122 (42 U.S.C. 5321), by striking
 18 “disaster under title IV of the Robert T. Stafford
 19 Disaster Relief and Emergency Assistance Act” and
 20 inserting “major disaster”; and
- 21 (4) by adding at the end the following:
- 22 **“SEC. 123. COMMUNITY DEVELOPMENT BLOCK GRANT DIS-**
 23 **ASTER RECOVERY PROGRAM.**
- 24 **“(a) AUTHORIZATION, FORMULA, AND ALLOCA-**
 25 **TION.—**

1 “(1) AUTHORIZATION.—The Secretary is au-
 2 thorized to make community development block
 3 grant disaster recovery grants from the Long-Term
 4 Disaster Recovery Fund established under section 5
 5 of the Reforming Disaster Recovery Act (hereinafter
 6 referred to as the ‘Fund’) for necessary expenses for
 7 activities authorized under subsection (f)(1) related
 8 to disaster relief, long-term recovery, restoration of
 9 housing and infrastructure, economic revitalization,
 10 and mitigation in the most impacted and distressed
 11 areas resulting from a catastrophic major disaster.

12 “(2) GRANT AWARDS.—Grants shall be awarded
 13 under this section to States, units of general local
 14 government, and Indian tribes based on capacity and
 15 the concentration of damage, as determined by the
 16 Secretary, to support the efficient and effective ad-
 17 ministration of funds.

18 “(3) SECTION 106 ALLOCATIONS.—Grants
 19 under this section shall not be considered relevant to
 20 the formula allocations made pursuant to section
 21 106.

22 “(4) FEDERAL REGISTER NOTICE.—

23 “(A) IN GENERAL.—Not later than 30
 24 days after the date of enactment of this section,
 25 the Secretary shall issue a notice in the Federal

1 Register containing the latest formula allocation
2 methodologies used to determine the total esti-
3 mate of unmet needs related to housing, eco-
4 nomic revitalization, and infrastructure in the
5 most impacted and distressed areas resulting
6 from a catastrophic major disaster.

7 “(B) PUBLIC COMMENT.—If the Secretary
8 has not already requested public comment on
9 the formula described in the notice required by
10 subparagraph (A), the Secretary shall solicit
11 public comments on—

12 “(i) the methodologies described in
13 subparagraph (A) and seek alternative
14 methods for formula allocation within a
15 similar total amount of funding;

16 “(ii) the impact of formula methodolo-
17 gies on rural areas and Tribal areas;

18 “(iii) adjustments to improve tar-
19 geting to the most serious needs;

20 “(iv) objective criteria for grantee ca-
21 pacity and concentration of damage to in-
22 form grantee determinations and minimum
23 allocation thresholds; and

24 “(v) research and data to inform an
25 additional amount to be provided for miti-

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1 gation depending on type of disaster, which
2 shall be not more than 30 percent of the
3 total estimate of unmet needs.

4 “(5) REGULATIONS.—

5 “(A) IN GENERAL.—The Secretary shall,
6 by regulation, establish a formula to allocate as-
7 sistance from the Fund to the most impacted
8 and distressed areas resulting from a cata-
9 strophic major disaster.

10 “(B) FORMULA REQUIREMENTS.—The for-
11 mula established under subparagraph (A)
12 shall—

13 “(i) set forth criteria to determine
14 that a major disaster is catastrophic, which
15 criteria shall consider the presence of a
16 high concentration of damaged housing or
17 businesses that individual, State, Tribal,
18 and local resources could not reasonably be
19 expected to address without additional
20 Federal assistance or other nationally en-
21 compassing data that the Secretary deter-
22 mines are adequate to assess relative im-
23 pact and distress across geographic areas;

24 “(ii) include a methodology for identi-
25 fying most impacted and distressed areas,

1 which shall consider unmet serious needs
2 related to housing, economic revitalization,
3 and infrastructure;

4 “(iii) include an allocation calculation
5 that considers the unmet serious needs re-
6 sulting from the catastrophic major dis-
7 aster and an additional amount up to 30
8 percent for activities to reduce risks of loss
9 resulting from other natural disasters in
10 the most impacted and distressed area, pri-
11 marily for the benefit of low- and mod-
12 erate-income persons, with particular focus
13 on activities that reduce repetitive loss of
14 property and critical infrastructure; and

15 “(iv) establish objective criteria for
16 periodic review and updates to the formula
17 to reflect changes in available science and
18 data.

19 “(C) MINIMUM ALLOCATION THRESH-
20 OLD.—The Secretary shall, by regulation, es-
21 tablish a minimum allocation threshold.

22 “(D) INTERIM ALLOCATION.—Until such
23 time that the Secretary issues final regulations
24 under this paragraph, the Secretary shall—

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1 “(i) allocate assistance from the Fund
2 using the formula allocation methodology
3 published in accordance with paragraph
4 (4); and

5 “(ii) include an additional amount for
6 mitigation equal to 15 percent of the total
7 estimate of unmet need.

8 “(6) ALLOCATION OF FUNDS.—

9 “(A) IN GENERAL.—The Secretary shall—

10 “(i) except as provided in clause (ii),
11 not later than 90 days after the President
12 declares a major disaster, use best avail-
13 able data to determine whether the major
14 disaster is catastrophic and qualifies for
15 assistance under the formula described in
16 paragraph (4) or (5), unless data is insuf-
17 ficient to make this determination; and

18 “(ii) if the best available data is insuf-
19 ficient to make the determination required
20 under clause (i) within the 90-day period
21 described in that clause, the Secretary
22 shall determine whether the major disaster
23 qualifies when sufficient data becomes
24 available, but in no case shall the Sec-
25 retary make the determination later than

1 120 days after the declaration of the major
2 disaster.

3 “(B) ANNOUNCEMENT OF ALLOCATION.—
4 If amounts are available in the Fund at the
5 time the Secretary determines that the major
6 disaster is catastrophic and qualifies for assist-
7 ance under the formula described in paragraph
8 (4) or (5), the Secretary shall immediately an-
9 nounce an allocation for a grant under this sec-
10 tion.

11 “(C) ADDITIONAL AMOUNTS.—If addi-
12 tional amounts are appropriated to the Fund
13 after amounts are allocated under subpara-
14 graph (B), the Secretary shall announce an al-
15 location or additional allocation (if a prior allo-
16 cation under subparagraph (B) was less than
17 the formula calculation) within 15 days of any
18 such appropriation.

19 “(7) PRELIMINARY FUNDING.—

20 “(A) IN GENERAL.—To speed recovery, the
21 Secretary is authorized to allocate and award
22 preliminary grants from the Fund before mak-
23 ing a determination under paragraph (6)(A) if
24 the Secretary projects, based on a preliminary
25 assessment of impact and distress, that a major

1 disaster is catastrophic and would likely qualify
2 for funding under the formula described in
3 paragraph (4) or (5).

4 “(B) AMOUNT.—

5 “(i) MAXIMUM.—The Secretary may
6 award preliminary funding under subpara-
7 graph (A) in an amount that is not more
8 than \$5,000,000.

9 “(ii) SLIDING SCALE.—The Secretary
10 shall, by regulation, establish a sliding
11 scale for preliminary funding awarded
12 under subparagraph (A) based on the size
13 of the preliminary assessment of impact
14 and distress.

15 “(C) USE OF FUNDS.—The uses of pre-
16 liminary funding awarded under subparagraph
17 (A) shall be limited to eligible activities that—

18 “(i) in the determination of the Sec-
19 retary, will support faster recovery, im-
20 prove the ability of the grantee to assess
21 unmet recovery needs, plan for the preven-
22 tion of improper payments, and reduce
23 fraud, waste, and abuse; and

24 “(ii) may include evaluating the in-
25 terim housing, permanent housing, and

1 supportive service needs of the disaster im-
 2 pacted community, with special attention
 3 to vulnerable populations, such as homeless
 4 and low- to moderate-income households,
 5 to inform the grantee action plan required
 6 under subsection (e).

7 “(D) CONSIDERATION OF FUNDING.—Pre-
 8 liminary funding awarded under subparagraph
 9 (A)—

10 “(i) is not subject to the certification
 11 requirements of subsection (h)(1); and

12 “(ii) shall not be considered when cal-
 13 culating the amount of the grant used for
 14 administrative costs, technical assistance,
 15 and planning activities that are subject to
 16 the requirements under subsection (f)(2).

17 “(E) WAIVER.—To expedite the use of
 18 preliminary funding for activities described in
 19 this paragraph, the Secretary may waive or
 20 specify alternative requirements to the require-
 21 ments of this section in accordance with sub-
 22 section (i).

23 “(F) AMENDED AWARD.—

24 “(i) IN GENERAL.—An award for pre-
 25 liminary funding under subparagraph (A)

1 may be amended to add any subsequent
2 amount awarded because of a determina-
3 tion by the Secretary that a major disaster
4 is catastrophic and qualifies for assistance
5 under the formula.

6 “(ii) APPLICABILITY.—Notwith-
7 standing subparagraph (D), amounts pro-
8 vided by an amendment under clause (i)
9 are subject to the requirements under sub-
10 sections (f)(1) and (h)(1) and other re-
11 quirements on grant funds under this sec-
12 tion.

13 “(G) TECHNICAL ASSISTANCE.—Concur-
14 rent with the allocation of any preliminary
15 funding awarded under this paragraph, the Sec-
16 retary shall assign or provide technical assist-
17 ance to the recipient of the grant.

18 “(b) INTERCHANGEABILITY.—

19 “(1) IN GENERAL.—The Secretary is authorized
20 to approve the use of grants under this section to be
21 used interchangeably and without limitation for the
22 same activities in the most impacted and distressed
23 areas resulting from a declaration of another cata-
24 strophic major disaster that qualifies for assistance
25 under the formula established under paragraph (4)

1 or (5) of subsection (a) or a major disaster for
2 which the Secretary allocated funds made available
3 under the heading ‘Community Development Fund’
4 in any Act prior to the establishment of the Fund.

5 “(2) REQUIREMENTS.—The Secretary shall es-
6 tablish requirements to expedite the use of grants
7 under this section for the purpose described in para-
8 graph (1).

9 “(3) EMERGENCY DESIGNATION.—Amounts
10 repurposed pursuant to this subsection that were
11 previously designated by Congress as an emergency
12 requirement pursuant to the Balanced Budget and
13 Emergency Deficit Control Act of 1985 or a concur-
14 rent resolution on the budget are designated by Con-
15 gress as an emergency requirement pursuant to sec-
16 tion 4001(a)(1) of S. Con. Res. 14 (117th Congress)
17 and legislation establishing fiscal year 2026 budget
18 enforcement in the House of Representatives.

19 “(c) GRANTEE PLANS.—

20 “(1) REQUIREMENT.—Not later than 90 days
21 after the date on which the Secretary announces a
22 grant allocation under this section, unless an exten-
23 sion is granted by the Secretary, the grantee shall
24 submit to the Secretary a plan for approval describ-
25 ing—

1 “(A) the activities the grantee will carry
2 out with the grant under this section;

3 “(B) the criteria of the grantee for award-
4 ing assistance and selecting activities;

5 “(C) how the use of the grant under this
6 section will address disaster relief, long-term re-
7 covery, restoration of housing and infrastruc-
8 ture, economic revitalization, and mitigation in
9 the most impacted and distressed areas;

10 “(D) how the use of the grant funds for
11 mitigation is consistent with hazard mitigation
12 plans submitted to the Federal Emergency
13 Management Agency under section 322 of the
14 Robert T. Stafford Disaster Relief and Emer-
15 gency Assistance Act (42 U.S.C. 5165);

16 “(E) the estimated amount proposed to be
17 used for activities that will benefit persons of
18 low and moderate income;

19 “(F) how the use of grant funds will repair
20 and replace existing housing stock for vulner-
21 able populations, including low- to moderate-in-
22 come households;

23 “(G) how the grantee will address the pri-
24 orities described in paragraph (5);

1 “(H) how uses of funds are proportional to
2 unmet needs, as required under paragraph (6);

3 “(I) for State grantees that plan to dis-
4 tribute grant amounts to units of general local
5 government, a description of the method of dis-
6 tribution; and

7 “(J) such other information as may be de-
8 termined by the Secretary in regulation.

9 “(2) PUBLIC CONSULTATION.—To permit pub-
10 lic examination and appraisal of the plan described
11 in paragraph (1), to enhance the public account-
12 ability of grantee, and to facilitate coordination of
13 activities with different levels of government, when
14 developing the plan or substantial amendments pro-
15 posed to the plan required under paragraph (1), a
16 grantee shall—

17 “(A) publish the plan before adoption;

18 “(B) provide citizens, affected units of
19 general local government, and other interested
20 parties with reasonable notice of, and oppor-
21 tunity to comment on, the plan, with a public
22 comment period of not less than 14 days;

23 “(C) consider comments received before
24 submission to the Secretary;

1 “(D) follow a citizen participation plan for
2 disaster assistance adopted by the grantee that,
3 at a minimum, provides for participation of
4 residents of the most impacted and distressed
5 area affected by the major disaster that re-
6 sulted in the grant under this section and other
7 considerations established by the Secretary; and

8 “(E) undertake any consultation with in-
9 terested parties as may be determined by the
10 Secretary in regulation.

11 “(3) APPROVAL.—The Secretary shall—

12 “(A) by regulation, specify criteria for the
13 approval, partial approval, or disapproval of a
14 plan submitted under paragraph (1), including
15 approval of substantial amendments to the
16 plan;

17 “(B) review a plan submitted under para-
18 graph (1) upon receipt of the plan;

19 “(C) allow a grantee to revise and resub-
20 mit a plan or substantial amendment to a plan
21 under paragraph (1) that the Secretary dis-
22 approves;

23 “(D) by regulation, specify criteria for
24 when the grantee shall be required to provide
25 the required revisions to a disapproved plan or

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1 substantial amendment under paragraph (1) for
 2 public comment prior to resubmission of the
 3 plan or substantial amendment to the Sec-
 4 retary; and

5 “(E) approve, partially approve, or dis-
 6 approve a plan or substantial amendment under
 7 paragraph (1) not later than 60 days after the
 8 date on which the plan or substantial amend-
 9 ment is received by the Secretary.

10 “(4) LOW- AND MODERATE-INCOME OVERALL
 11 BENEFIT.—

12 “(A) USE OF FUNDS.—Not less than 70
 13 percent of a grant made under this section shall
 14 be used for activities that benefit persons of low
 15 and moderate income unless the Secretary—

16 “(i) specifically finds that—

17 “(I) there is compelling need to
 18 reduce the percentage for the grant;
 19 and

20 “(II) the housing needs of low-
 21 and moderate-income persons have
 22 been addressed; and

23 “(ii) issues a waiver and alternative
 24 requirement specific to the grant pursuant
 25 to subsection (i) to lower the percentage.

1 “(B) REGULATIONS.—The Secretary shall,
2 by regulation, establish protocols consistent
3 with the findings of section 2 of the Reforming
4 Disaster Recovery Act to prioritize the use of
5 funds by a grantee under this section to meet
6 the needs of low- and moderate-income persons
7 and businesses serving primarily persons of low
8 and moderate income.

9 “(5) PRIORITIZATION.—The grantee shall
10 prioritize activities that—

11 “(A) assist persons with extremely low-,
12 low-, and moderate-incomes and other vulner-
13 able populations to better recover from and
14 withstand future disasters, emphasizing those
15 with the most severe needs;

16 “(B) address affordable housing, including
17 affordable rental housing, needs arising from a
18 disaster, or those needs present prior to a dis-
19 aster;

20 “(C) prolong the life of housing and infra-
21 structure;

22 “(D) use cost-effective means of preventing
23 harm to people and property and incorporate
24 protective features, redundancies, and energy
25 savings; and

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1 “(E) other measures that will assure the
 2 continuation of critical services during future
 3 disasters.

4 “(6) PROPORTIONAL ALLOCATION.—

5 “(A) IN GENERAL.—A grantee under this
 6 section shall allocate grant funds proportional
 7 to unmet needs between housing activities, eco-
 8 nomic revitalization, and infrastructure, unless
 9 the Secretary—

10 “(i) specifically finds that—

11 “(I) there is a compelling need
 12 for a disproportional allocation among
 13 those unmet needs; and

14 “(II) the disproportional alloca-
 15 tion described in subclause (I) is not
 16 inconsistent with the requirements
 17 under paragraph (4); and

18 “(ii) issues a waiver and alternative
 19 requirement pursuant to subsection (i) to
 20 allow for the disproportional allocation de-
 21 scribed in clause (i)(I).

22 “(B) HOUSING ACTIVITIES.—With respect
 23 to housing activities described in subparagraph
 24 (A)(i), grantees should address proportional
 25 needs between homeowners and renters, includ-

1 ing low-income households in public housing
2 and Federally subsidized housing.

3 “(7) DISASTER RISK MITIGATION.—

4 “(A) DEFINITION.—In this paragraph, the
5 term ‘hazard-prone areas’—

6 “(i) means areas identified by the
7 Secretary, in consultation with the Admin-
8 istrator of the Federal Emergency Man-
9 agement Agency, at risk from natural haz-
10 ards that threaten property damage or
11 health, safety, and welfare, such as floods,
12 wildfires (including Wildland-Urban Inter-
13 face areas), earthquakes, lava inundation,
14 tornados, and high winds; and

15 “(ii) includes areas having special
16 flood hazards as identified under the Flood
17 Disaster Protection Act of 1973 (42
18 U.S.C. 4002 et seq.) or the National Flood
19 Insurance Act of 1968 (42 U.S.C. 4001 et
20 seq.).

21 “(B) HAZARD-PRONE AREAS.—The Sec-
22 retary, in consultation with the Administrator
23 of the Federal Emergency Management Agency,
24 shall establish minimum construction standards,
25 insurance purchase requirements, and other re-

1 quirements for the use of grant funds in haz-
2 ard-prone areas.

3 “(C) SPECIAL FLOOD HAZARDS.—

4 “(i) IN GENERAL.—For the areas de-
5 scribed in subparagraph (A)(ii), the insur-
6 ance purchase requirements established
7 under subparagraph (B) shall meet or ex-
8 ceed the requirements under section 102(a)
9 of the Flood Disaster Protection Act of
10 1973 (42 U.S.C. 4012a(a)).

11 “(ii) TREATMENT AS FINANCIAL AS-
12 SISTANCE.—All grants under this section
13 shall be treated as financial assistance for
14 purposes of section 3(a)(3) of the Flood
15 Disaster Protection Act of 1973 (42
16 U.S.C. 4003(a)(3)).

17 “(D) CONSIDERATION OF FUTURE
18 RISKS.—The Secretary may consider future
19 risks to protecting property and health, safety,
20 and general welfare, and the likelihood of those
21 risks, when making the determination of or
22 modification to hazard-prone areas under this
23 paragraph.

24 “(8) RELOCATION.—

1 “(A) IN GENERAL.—The Uniform Reloca-
2 tion Assistance and Real Property Acquisition
3 Policies Act of 1970 (42 U.S.C. 4601 et seq.)
4 shall apply to activities assisted under this sec-
5 tion to the extent determined by the Secretary
6 in regulation, or as provided in waivers or alter-
7 native requirements authorized in accordance
8 with subsection (i).

9 “(B) POLICY.—Each grantee under this
10 section shall establish a relocation assistance
11 policy that—

12 “(i) minimizes displacement and de-
13 scribes the benefits available to persons
14 displaced as a direct result of acquisition,
15 rehabilitation, or demolition in connection
16 with an activity that is assisted by a grant
17 under this section; and

18 “(ii) includes any appeal rights or
19 other requirements that the Secretary es-
20 tablishes by regulation.

21 “(d) CERTIFICATIONS.—Any grant under this section
22 shall be made only if the grantee certifies to the satisfac-
23 tion of the Secretary that—

24 “(1) the grantee is in full compliance with the
25 requirements under subsection (c)(2);

1 “(2) for grants other than grants to Indian
2 tribes, the grant will be conducted and administered
3 in conformity with the Civil Rights Act of 1964 (42
4 U.S.C. 2000a et seq.) and the Fair Housing Act (42
5 U.S.C. 3601 et seq.);

6 “(3) the projected use of funds has been devel-
7 oped so as to give maximum feasible priority to ac-
8 tivities that will benefit extremely low-, low-, and
9 moderate-income families and activities described in
10 subsection (c)(5), and may also include activities
11 that are designed to aid in the prevention or elimi-
12 nation of slum and blight to support disaster recov-
13 ery, meet other community development needs hav-
14 ing a particular urgency because existing conditions
15 pose a serious and immediate threat to the health or
16 welfare of the community where other financial re-
17 sources are not available to meet such needs, and al-
18 leviate future threats to human populations, critical
19 natural resources, and property that an analysis of
20 hazards shows are likely to result from natural dis-
21 asters in the future;

22 “(4) the grant funds shall principally benefit
23 persons of low and moderate income as described in
24 subsection (c)(4);

1 “(5) for grants other than grants to Indian
2 Tribes, within 24 months of receiving a grant or at
3 the time of its 3- or 5-year update, whichever is
4 sooner, the grantee will review and make modifica-
5 tions to its non-disaster housing and community de-
6 velopment plans and strategies required by sub-
7 sections (c) and (m) of section 104 to reflect the dis-
8 aster recovery needs identified by the grantee and
9 consistency with the plan under subsection (c)(1);

10 “(6) the grantee will not attempt to recover any
11 capital costs of public improvements assisted in
12 whole or part under this section by assessing any
13 amount against properties owned and occupied by
14 persons of low and moderate income, including any
15 fee charged or assessment made as a condition of
16 obtaining access to such public improvements, un-
17 less—

18 “(A) funds received under this section are
19 used to pay the proportion of such fee or as-
20 sessment that relates to the capital costs of
21 such public improvements that are financed
22 from revenue sources other than under this
23 chapter; or

24 “(B) for purposes of assessing any amount
25 against properties owned and occupied by per-

1 sons of moderate income, the grantee certifies
2 to the Secretary that the grantee lacks suffi-
3 cient funds received under this section to com-
4 ply with the requirements of subparagraph (A);

5 “(7) the grantee will comply with the other pro-
6 visions of this title that apply to assistance under
7 this section and with other applicable laws;

8 “(8) the grantee will follow a relocation assist-
9 ance policy that includes any minimum requirements
10 identified by the Secretary; and

11 “(9) the grantee will adhere to construction
12 standards, insurance purchase requirements, and
13 other requirements for development in hazard-prone
14 areas described in subsection (c)(7).

15 “(e) PERFORMANCE REVIEWS AND REPORTING.—

16 “(1) IN GENERAL.—The Secretary shall, on not
17 less frequently than an annual basis, make such re-
18 views and audits as may be necessary or appropriate
19 to determine whether a grantee under this section
20 has—

21 “(A) carried out activities using grant
22 funds in a timely manner;

23 “(B) met the performance targets estab-
24 lished by paragraph (2);

1 “(C) carried out activities using grant
2 funds in accordance with the requirements of
3 this section, the other provisions of this title
4 that apply to assistance under this section, and
5 other applicable laws; and

6 “(D) a continuing capacity to carry out ac-
7 tivities in a timely manner.

8 “(2) PERFORMANCE TARGETS.—The Secretary
9 shall develop and make publicly available critical
10 performance targets for review, which shall include
11 spending thresholds for each year from the date on
12 which funds are obligated by the Secretary to the
13 grantee until such time all funds have been ex-
14 pended.

15 “(3) FAILURE TO MEET TARGETS.—

16 “(A) SUSPENSION.—If a grantee under
17 this section fails to meet 1 or more critical per-
18 formance targets under paragraph (2), the Sec-
19 retary may temporarily suspend the grant.

20 “(B) PERFORMANCE IMPROVEMENT
21 PLAN.—If the Secretary suspends a grant
22 under subparagraph (A), the Secretary shall
23 provide to the grantee a performance improve-
24 ment plan with the specific requirements needed

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1 to lift the suspension within a defined time pe-
2 riod.

3 “(C) REPORT.—If a grantee fails to meet
4 the spending thresholds established under para-
5 graph (2), the grantee shall submit to the Sec-
6 retary, the appropriate committees of Congress,
7 and each member of Congress who represents a
8 district or State of the grantee a written report
9 identifying technical capacity, funding, or other
10 Federal or State impediments affecting the abil-
11 ity of the grantee to meet the spending thresh-
12 olds.

13 “(4) COLLECTION OF INFORMATION AND RE-
14 PORTING.—

15 “(A) REQUIREMENT TO REPORT.—A
16 grantee under this section shall provide to the
17 Secretary such information as the Secretary
18 may determine necessary for adequate oversight
19 of the grant program under this section.

20 “(B) PUBLIC AVAILABILITY.—Subject to
21 subparagraph (D), the Secretary shall make in-
22 formation submitted under subparagraph (A)
23 available to the public and to the Inspector
24 General for the Department of Housing and
25 Urban Development, disaggregated by activity,

1 income, geography, and all classes of individuals
2 protected under section 109 and the Fair Hous-
3 ing Act.

4 “(C) SUMMARY STATUS REPORTS.—To in-
5 crease transparency and accountability of the
6 grant program under this section the Secretary
7 shall, on not less frequently than an annual
8 basis, post on a public facing dashboard sum-
9 mary status reports for all active grants under
10 this section that includes—

11 “(i) the status of funds by activity;

12 “(ii) the percentages of funds allo-
13 cated and expended to benefit low- and
14 moderate-income communities;

15 “(iii) performance targets, spending
16 thresholds, and accomplishments; and

17 “(iv) other information the Secretary
18 determines to be relevant for transparency.

19 “(D) CONSIDERATIONS.—In carrying out
20 this paragraph, the Secretary—

21 “(i) shall take such actions as may be
22 necessary to ensure that personally identi-
23 fiable information regarding applicants for
24 assistance provided from funds made avail-

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1 able under this section is not made publicly
2 available; and

3 “(ii) may make full and unredacted
4 information available to academic institu-
5 tions for the purpose of researching into
6 the equitable distribution of recovery funds
7 and adherence to civil rights protections.

8 “(f) ELIGIBLE ACTIVITIES.—

9 “(1) IN GENERAL.—Activities assisted under
10 this section—

11 “(A) may include activities permitted
12 under section 105 or other activities permitted
13 by the Secretary by waiver or alternative re-
14 quirement pursuant to subsection (i); and

15 “(B) shall be related to disaster relief,
16 long-term recovery, restoration of housing and
17 infrastructure, economic revitalization, and
18 mitigation in the most impacted and distressed
19 areas resulting from the major disaster for
20 which the grant was awarded.

21 “(2) PROHIBITION.—Grant funds under this
22 section may not be used for costs reimbursable by,
23 or for which funds have been made available by, the
24 Federal Emergency Management Agency, or the
25 United States Army Corps of Engineers.

1 “(3) ADMINISTRATIVE COSTS, TECHNICAL AS-
2 SISTANCE AND PLANNING.—

3 “(A) IN GENERAL.—The Secretary shall
4 establish in regulation the maximum grant
5 amounts a grantee may use for administrative
6 costs, technical assistance and planning activi-
7 ties, taking into consideration size of grant,
8 complexity of recovery, and other factors as de-
9 termined by the Secretary, but not to exceed 10
10 percent for administration and 20 percent in
11 total.

12 “(B) AVAILABILITY.—Amounts available
13 for administrative costs for a grant under this
14 section shall be available for eligible administra-
15 tive costs of the grantee for any grant made
16 under this section, without regard to a par-
17 ticular disaster.

18 “(4) PROGRAM INCOME.—Notwithstanding any
19 other provision of law, any grantee under this sec-
20 tion may retain program income that is realized
21 from grants made by the Secretary under this sec-
22 tion if the grantee agrees that the grantee will uti-
23 lize the program income in accordance with the re-
24 quirements for grants under this section, except that
25 the Secretary may—

1 “(A) by regulation, exclude from consider-
2 ation as program income any amounts deter-
3 mined to be so small that compliance with this
4 paragraph creates an unreasonable administra-
5 tive burden on the grantee; or

6 “(B) permit the grantee to transfer re-
7 maining program income to the other grants of
8 the grantee under this title upon closeout of the
9 grant.

10 “(5) PROHIBITION ON USE OF ASSISTANCE FOR
11 EMPLOYMENT RELOCATION ACTIVITIES.—

12 “(A) IN GENERAL.—Grants under this sec-
13 tion may not be used to assist directly in the
14 relocation of any industrial or commercial plant,
15 facility, or operation, from one area to another
16 area, if the relocation is likely to result in a sig-
17 nificant loss of employment in the labor market
18 area from which the relocation occurs.

19 “(B) APPLICABILITY.—The prohibition
20 under subparagraph (A) shall not apply to a
21 business that was operating in the disaster-de-
22 clared labor market area before the incident
23 date of the applicable disaster and has since
24 moved, in whole or in part, from the affected

1 area to another State or to a labor market area
2 within the same State to continue business.

3 “(6) REQUIREMENTS.—Grants under this sec-
4 tion are subject to the requirements of this section,
5 the other provisions of this title that apply to assist-
6 ance under this section, and other applicable laws,
7 unless modified by waivers or alternative require-
8 ments in accordance with subsection (i).

9 “(g) ENVIRONMENTAL REVIEW.—

10 “(1) ADOPTION.—A recipient of funds provided
11 under this section that uses the funds to supplement
12 Federal assistance provided under section 203, 402,
13 403, 404, 406, 407, 408(c)(4), 428, or 502 of the
14 Robert T. Stafford Disaster Relief and Emergency
15 Assistance Act (42 U.S.C. 5170a, 5170b, 5170c,
16 5172, 5173, 5174(c)(4), 5189f, 5192) may adopt,
17 without review or public comment, any environ-
18 mental review, approval, or permit performed by a
19 Federal agency, and that adoption shall satisfy the
20 responsibilities of the recipient with respect to the
21 environmental review, approval, or permit under sec-
22 tion 104(g)(1).

23 “(2) APPROVAL OF RELEASE OF FUNDS.—Not-
24 withstanding section 104(g)(2), the Secretary or a
25 State may, upon receipt of a request for release of

1 funds and certification, immediately approve the re-
 2 lease of funds for an activity or project to be as-
 3 sisted under this section if the recipient has adopted
 4 an environmental review, approval, or permit under
 5 paragraph (1) or the activity or project is categori-
 6 cally excluded from review under the National Envi-
 7 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
 8 seq.).

9 “(3) UNITS OF GENERAL LOCAL GOVERN-
 10 MENT.—The provisions of section 104(g)(4) shall
 11 apply to assistance under this section that a State
 12 distributes to a unit of general local government.

13 “(h) FINANCIAL CONTROLS AND PROCEDURES.—

14 “(1) IN GENERAL.—The Secretary shall develop
 15 requirements and procedures to demonstrate that a
 16 grantee under this section—

17 “(A) has adequate financial controls and
 18 procurement processes;

19 “(B) has adequate procedures to detect
 20 and prevent fraud, waste, abuse, and duplica-
 21 tion of benefit; and

22 “(C) maintains a comprehensive and pub-
 23 licly accessible website.

24 “(2) CERTIFICATION.—Before making a grant
 25 under this section, the Secretary shall certify that

1 the grantee has in place proficient processes and
2 procedures to comply with the requirements devel-
3 oped under paragraph (1), as determined by the
4 Secretary.

5 “(3) COMPLIANCE BEFORE ALLOCATION.—The
6 Secretary may permit a State, unit of general local
7 government, or Indian tribe to demonstrate compli-
8 ance with the requirements for adequate financial
9 controls developed under paragraph (1) before a dis-
10 aster occurs and before receiving an allocation for a
11 grant under this section.

12 “(4) DUPLICATION OF BENEFITS.—

13 “(A) IN GENERAL.—Funds made available
14 under this section shall be used in accordance
15 with section 312 of the Robert T. Stafford Dis-
16 aster Relief and Emergency Assistance Act (42
17 U.S.C. 5155), as amended by section 1210 of
18 the Disaster Recovery Reform Act of 2018 (di-
19 vision D of Public Law 115–254), and such
20 rules as may be prescribed under such section
21 312.

22 “(B) PENALTIES.—In any case in which
23 the use of grant funds under this section results
24 in a prohibited duplication of benefits, the
25 grantee shall—

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1 “(i) apply an amount equal to the
2 identified duplication to any allowable costs
3 of the award consistent with actual, imme-
4 diate cash requirement;

5 “(ii) remit any excess amounts to the
6 Secretary to be credited to the obligated,
7 undisbursed balance of the grant con-
8 sistent with requirements on Federal pay-
9 ments applicable to such grantee; and

10 “(iii) if excess amounts under clause
11 (ii) are identified after the period of per-
12 formance or after the closeout of the
13 award, remit such amounts to the Sec-
14 retary to be credited to the Fund.

15 “(C) FAILURE TO COMPLY.—Any grantee
16 provided funds under this section or from prior
17 Appropriations Acts under the heading ‘Com-
18 munity Development Fund’ for purposes related
19 to major disasters that fails to comply with sec-
20 tion 312 of the Robert T. Stafford Disaster Re-
21 lief and Emergency Assistance Act (42 U.S.C.
22 5155) or fails to satisfy penalties to resolve a
23 duplication of benefits shall be subject to rem-
24 edies for noncompliance under section 111, un-
25 less the Secretary publishes a determination in

1 the Federal Register that it is not in the best
2 interest of the Federal Government to pursue
3 remedial actions.

4 “(i) WAIVERS.—

5 “(1) IN GENERAL.—In administering grants
6 under this section, the Secretary may waive, or
7 specify alternative requirements for, any provision of
8 any statute or regulation that the Secretary admin-
9 isters in connection with the obligation by the Sec-
10 retary or the use by the grantee of those funds (ex-
11 cept for requirements related to fair housing, non-
12 discrimination, labor standards, the environment,
13 and the requirements of this section that do not ex-
14 pressly authorize modifications by waiver or alter-
15 native requirement), if the Secretary makes a public
16 finding that good cause exists for the waiver or al-
17 ternative requirement and the waiver or alternative
18 requirement would not be inconsistent with the find-
19 ings in section 2 of the Reforming Disaster Recovery
20 Act.

21 “(2) EFFECTIVE DATE.—A waiver or alter-
22 native requirement described in paragraph (1) shall
23 not take effect before the date that is 5 days after
24 the date of publication of the waiver or alternative
25 requirement on the website of the Department of

1 Housing and Urban Development or the effective
2 date for any regulation published in the Federal
3 Register.

4 “(3) PUBLIC NOTIFICATION.—The Secretary
5 shall notify the public of all waivers or alternative
6 requirements described in paragraph (1) in accord-
7 ance with the requirements of section 7(q)(3) of the
8 Department of Housing and Urban Development
9 Act (42 U.S.C. 3535(q)(3)).

10 “(j) UNUSED AMOUNTS.—

11 “(1) DEADLINE TO USE AMOUNTS.—A grantee
12 under this section shall use an amount equal to the
13 grant within 6 years beginning on the date on which
14 the Secretary obligates the amounts to the grantee,
15 as such period may be extended under paragraph
16 (4).

17 “(2) RECAPTURE.—The Secretary shall recap-
18 ture and credit to the Fund any amount that is un-
19 used by a grantee under this section upon the earlier
20 of—

21 “(A) the date on which the grantee notifies
22 the Secretary that the grantee has completed all
23 activities identified in the disaster grantee’s
24 plan under subsection (c); or

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1 “(B) the expiration of the 6-year period
2 described in paragraph (1), as such period may
3 be extended under paragraph (4).

4 “(3) RETENTION OF FUNDS.—Notwithstanding
5 paragraph (1), the Secretary may allow a grantee
6 under this section to retain—

7 “(A) amounts needed to close out grants;
8 and

9 “(B) up to 10 percent of the remaining
10 funds to support maintenance of the minimal
11 capacity to launch a new program in the event
12 of a future disaster and to support pre-disaster
13 long-term recovery and mitigation planning.

14 “(4) EXTENSION OF PERIOD FOR USE OF
15 FUNDS.—The Secretary may extend the 6-year pe-
16 riod described in paragraph (1) by not more than 4
17 years, or not more than 6 years for mitigation activi-
18 ties, if—

19 “(A) the grantee submits to the Sec-
20 retary—

21 “(i) written documentation of the exi-
22 gent circumstances impacting the ability of
23 the grantee to expend funds that could not
24 be anticipated; or

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1 “(ii) a justification that such request
2 is necessary due to the nature and com-
3 plexity of the program and projects; and
4 “(B) the Secretary submits a written jus-
5 tification for the extension to the Committees
6 on Appropriations of Senate and the House of
7 Representatives that specifies the period of that
8 extension.”.

9 **SEC. 7. REGULATIONS.**

10 (a) PROPOSED RULES.—Following consultation with
11 the Federal Emergency Management Agency, the Small
12 Business Administration, and other Federal agencies, not
13 later than 6 months after the date of enactment of this
14 Act, the Secretary shall issue proposed rules to carry out
15 this Act and the amendments made by this Act and shall
16 provide a 90-day period for submission of public comments
17 on those proposed rules.

18 (b) FINAL RULES.—Not later than 1 year after the
19 date of enactment of this Act, the Secretary shall issue
20 final regulations to carry out section 123 of the Housing
21 and Community Development Act of 1974, as added by
22 section 6.

1 **SEC. 8. COORDINATION OF DISASTER RECOVERY ASSIST-**
2 **ANCE, BENEFITS, AND DATA WITH OTHER**
3 **FEDERAL AGENCIES.**

4 (a) COORDINATION OF DISASTER RECOVERY ASSIST-
5 ANCE.—In order to ensure a comprehensive approach to
6 Federal disaster relief, long-term recovery, restoration of
7 housing and infrastructure, economic revitalization, and
8 mitigation in the most impacted and distressed areas re-
9 sulting from a catastrophic major disaster, the Secretary
10 shall coordinate with the Federal Emergency Management
11 Agency, to the greatest extent practicable, in the imple-
12 mentation of assistance authorized under section 123 of
13 the Housing and Community Development Act of 1974,
14 as added by section 6.

15 (b) DATA SHARING AGREEMENTS.—To support the
16 coordination of data to prevent duplication of benefits with
17 other Federal disaster recovery programs while also expe-
18 diting recovery and reducing burden on disaster survivors,
19 the Department shall establish data sharing agreements
20 that safeguard privacy with relevant Federal agencies to
21 ensure disaster benefits effectively and efficiently reach in-
22 tended beneficiaries, while using effective means of pre-
23 venting harm to people and property.

24 (c) DATA TRANSFER FROM FEMA AND SBA TO
25 HUD.—As permitted and deemed necessary for efficient
26 program execution, and consistent with a computer match-

1 ing agreement entered into under subsection (f)(1), the
2 Administrator of the Federal Emergency Management
3 Agency and the Administrator of the Small Business Ad-
4 ministration shall provide data on disaster applicants to
5 the Department, including, when necessary, personally
6 identifiable information, disaster recovery needs, and re-
7 sources determined eligible for, and amounts expended, to
8 the Secretary for all major disasters declared by the Presi-
9 dent pursuant to section 401 of Robert T. Stafford Dis-
10 aster Relief and Emergency Assistance Act (42 U.S.C.
11 5170) for the purpose of providing additional assistance
12 to disaster survivors and prevent duplication of benefits.

13 (d) DATA TRANSFERS FROM HUD TO HUD GRANT-
14 EES.—The Secretary is authorized to provide to grantees
15 under section 123 of the Housing and Community Devel-
16 opment Act of 1974, as added by section 6, offices of the
17 Department, technical assistance providers, and lenders
18 information that in the determination of the Secretary is
19 reasonably available and appropriate to inform the provi-
20 sion of assistance after a major disaster, including infor-
21 mation provided to the Secretary by the Administrator of
22 the Federal Emergency Management Agency, the Admin-
23 istrator of the Small Business Administration, or other
24 Federal agencies.

1 (e) DATA TRANSFERS FROM HUD GRANTEES TO
2 HUD, FEMA, AND SBA.—

3 (1) REPORTING.—Grantees under section 123
4 of the Housing and Community Development Act of
5 1974, as added by section 6, shall report informa-
6 tion requested by the Secretary on households, busi-
7 nesses, and other entities assisted and the type of
8 assistance provided.

9 (2) SHARING INFORMATION.—The Secretary
10 shall share information collected under paragraph
11 (1) with the Federal Emergency Management Agen-
12 cy, the Small Business Administration, and other
13 Federal agencies to support the planning and deliv-
14 ery of disaster recovery and mitigation assistance
15 and other related purposes.

16 (f) PRIVACY PROTECTION.—The Secretary may make
17 and receive data transfers authorized under this section,
18 including the use and retention of that data for computer
19 matching programs, to inform the provision of assistance,
20 assess disaster recovery needs, and prevent the duplication
21 of benefits and other waste, fraud, and abuse, provided
22 that—

23 (1) the Secretary enters an information sharing
24 agreement or a computer matching agreement, when
25 required by section 522a of title 5, United States

1 Code (commonly known as the “Privacy Act of
2 1974”), with the Administrator of the Federal
3 Emergency Management Agency, the Administrator
4 of the Small Business Administration, or other Fed-
5 eral agencies covering the transfer of data;

6 (2) the Secretary publishes intent to disclose
7 data in the Federal Register;

8 (3) notwithstanding paragraphs (1) and (2),
9 section 552a of title 5, United States Code, or any
10 other law, the Secretary is authorized to share data
11 with an entity identified in subsection (d), and the
12 entity is authorized to use the data as described in
13 this section, if the Secretary enters a data sharing
14 agreement with the entity before sharing or receiving
15 any information under transfers authorized by this
16 section, which data sharing agreement shall—

17 (A) in the determination of the Secretary,
18 include measures adequate to safeguard the pri-
19 vacy and personally identifiable information of
20 individuals; and

21 (B) include provisions that describe how
22 the personally identifiable information of an in-
23 dividual will be adequately safeguarded and
24 protected, which requires consultation with the
25 Secretary and the head of each Federal agency

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1 the data of which is being shared subject to the
2 agreement.

.....
(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Federal Deposit Insurance Act to exempt community banks from any special assessment of the Federal Deposit Insurance Corporation caused by the use of the systemic risk authority under that Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GREEN of Texas introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Federal Deposit Insurance Act to exempt community banks from any special assessment of the Federal Deposit Insurance Corporation caused by the use of the systemic risk authority under that Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Shielding Community
5 Banks from Systemic Risk Assessments Act”.

1 **SEC. 2. SPECIAL ASSESSMENTS TO RECOVER LOSSES DUE**
2 **TO THE USE OF SYSTEMIC RISK AUTHORITY.**

3 (a) FINDINGS.—Congress finds the following:

4 (1) Community banks, including rural banks,
5 community development financial institutions, and
6 minority depository institutions, did not cause or
7 contribute to the recent bank failures of Silicon Val-
8 ley Bank and Signature Bank, and otherwise may
9 have seen deposit outflows due to the mismanage-
10 ment of these large banks.

11 (2) The Federal Deposit Insurance Corporation
12 has broad flexibility under law to exempt community
13 banks from the special assessment that the Corpora-
14 tion will need to charge to recoup losses from the
15 use of the systemic risk exception.

16 (b) SENSE OF CONGRESS.—It is the sense of the
17 Congress that the Federal Deposit Insurance Corporation
18 should fully exempt community banks from any special as-
19 sessment to recoup losses to the Deposit Insurance Fund
20 due to the failures of Silicon Valley Bank and Signature
21 Bank and the use of the systemic risk exception.

22 (c) LIMITATIONS ON SPECIAL ASSESSMENTS RE-
23 LATED TO THE USE OF THE SYSTEMIC RISK AUTHOR-
24 ITY.—Section 13(c)(4)(G)(ii) of the Federal Deposit In-
25 surance Act (12 U.S.C. 1823(c)(4)(G)(ii)) is amended by
26 adding at the end the following:

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3

1 “(IV) EXEMPTIONS; GRADUATED
 2 ASSESSMENTS.—With respect to any
 3 special assessment described under
 4 this clause, the Corporation shall—

5 “(aa) exempt insured deposi-
 6 tory institutions and depository
 7 institution holding companies
 8 with less than \$5,000,000,000 in
 9 consolidated assets (or such high-
 10 er asset amount as the Corpora-
 11 tion determines appropriate); and

12 “(bb) graduate the amount
 13 of such special assessments such
 14 that insured depository institu-
 15 tions and depository institution
 16 holding companies with less than
 17 \$50,000,000,000 in consolidated
 18 assets pay a significantly smaller
 19 portion of such assessment than
 20 those insured depository institu-
 21 tions and depository institution
 22 holding companies with
 23 \$50,000,000,000 or more in con-
 24 solidated assets.”.

119TH CONGRESS
1ST SESSION

H. R. 3716

To amend the Federal Deposit Insurance Act to require reports on the use of the systemic risk authority applicable to winding up a failed insured depository institution, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2025

Mr. GREEN of Texas introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Federal Deposit Insurance Act to require reports on the use of the systemic risk authority applicable to winding up a failed insured depository institution, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Systemic Risk Author-
5 ity Transparency Act”.

1 **SEC. 2. BANK FAILURE TRANSPARENCY RELATED TO SYS-**
2 **TEMIC RISK EXCEPTION.**

3 (a) GAO REVIEW.—Section 13(c)(4)(G)(iv) of the
4 Federal Deposit Insurance Act (12 U.S.C.
5 1823(c)(4)(G)(iv)) is amended to read as follows:

6 “(iv) GAO REVIEW.—

7 “(I) IN GENERAL.—The Comp-
8 troller General of the United States
9 shall, not later than later than 60
10 days after a determination is made
11 under clause (i), and again 180 days
12 thereafter, review and report to the
13 Congress on the determination under
14 clause (i), including—

15 “(aa) the basis for the deter-
16 mination;

17 “(bb) the purpose for which
18 any action was taken pursuant to
19 such clause;

20 “(cc) the likely effect of the
21 determination and such action on
22 the incentives and conduct of in-
23 sured depository institutions and
24 uninsured depositors;

25 “(dd) any mismanagement
26 by the executives and board of

1 the insured depository institution
2 that contributed to the failure of
3 the insured depository institu-
4 tion;

5 “(ee) a review of the com-
6 pensation practices of the insured
7 depository institution;

8 “(ff) any supervisory or reg-
9 ulatory shortcomings with respect
10 to the appropriate Federal bank-
11 ing agency of the insured deposi-
12 tory institution;

13 “(gg) any actions taken by
14 the Federal banking regulators,
15 Financial Stability Oversight
16 Council, Treasury Department,
17 and other relevant financial regu-
18 lators in relation to the failure of
19 the insured depository institu-
20 tion; and

21 “(hh) any additional rel-
22 evant entities or activities that
23 may have contributed to the fail-
24 ure of the insured depository in-
25 stitution, including with respect

1 to auditing, accounting, credit
 2 rating agencies, investment bank
 3 underwriters, and emergency li-
 4 quidity options such as loans
 5 from the Federal reserve banks
 6 or advances through the Federal
 7 Home Loan Bank system.

8 “(II) RULE OF CONSTRUC-
 9 TION.—Nothing in this clause or a re-
 10 port issued pursuant to this clause
 11 may be construed to limit the author-
 12 ity of a Federal agency to enforce vio-
 13 lations of Federal statutes, rules, or
 14 orders.”.

15 (b) APPROPRIATE FEDERAL BANKING AGENCY RE-
 16 PORT.—Section 13(c) of the Federal Deposit Insurance
 17 Act (12 U.S.C. 1823(c)) is amended by adding at the end
 18 the following:

19 “(12) APPROPRIATE FEDERAL BANKING AGEN-
 20 CY REPORT.—

21 “(A) IN GENERAL.—The appropriate Fed-
 22 eral banking agency of an insured depository
 23 institution about which a determination is made
 24 under paragraph (4)(G)(i) shall, not later than
 25 90 days after the date of such determination,

1 and again 210 days thereafter, submit a report
2 to the Congress that discloses the following:

3 “(i) Subject to such redactions as the
4 appropriate Federal banking agency deter-
5 mines appropriate of personally identifiable
6 information about customers and other fi-
7 nancial institutions (as such term is de-
8 fined under section 11(e)(9)(D)), all—

9 “(I) reports of examination and
10 inspection that relate to the failed in-
11 sured depository institution in the
12 previous 3-year period;

13 “(II) formal communications of a
14 material supervisory determination
15 conveyed to the failed insured deposi-
16 tory institution in the previous 3-year
17 period; and

18 “(III) any additional exam re-
19 ports and correspondence that the ap-
20 propriate Federal banking agency de-
21 termines may be relevant to the fail-
22 ure of the insured depository institu-
23 tion.

24 “(ii) An examination of any mis-
25 management by the executives and board

1 of the insured depository institution that
2 contributed to the failure of the insured
3 depository institution.

4 “(iii) Any supervisory or regulatory
5 shortcomings by such appropriate Federal
6 banking agency with respect to the insured
7 depository institution.

8 “(iv) Any dynamics that the appro-
9 priate Federal banking agency determines
10 may have contributed to the failure of the
11 insured depository institution.

12 “(v) Any supervisory, regulatory, and
13 legislative recommendations such appro-
14 priate Federal banking agency may have to
15 improve the safety and soundness of simi-
16 larly situated insured depository institu-
17 tions, the banking system, and financial
18 stability.

19 “(B) PROTECTION OF SENSITIVE INFOR-
20 MATION.—

21 “(i) EFFECT ON PRIVILEGE.—The
22 provision of any information by a Federal
23 banking agency under this paragraph may
24 not be construed as—

1 “(I) waiving, destroying, or oth-
2 erwise affecting any privilege applica-
3 ble to the information; or

4 “(II) waiving any exemption ap-
5 plicable to the information under sec-
6 tion 552 of title 5 United States Code
7 (commonly known as the ‘Freedom of
8 Information Act’).

9 “(ii) TRANSPARENCY.—

10 “(I) IN GENERAL.—A Federal
11 banking agency shall publish mate-
12 rials contained in a report required
13 under subparagraph (A) to the fullest
14 extent possible to promote trans-
15 parency.

16 “(II) CONSULTATION ON OMIT-
17 TING MATERIALS.—If a Federal bank-
18 ing agency determines particular ma-
19 terials described under subclause (I)
20 should not be published, the Federal
21 banking agency shall consult with the
22 chair and ranking member of the
23 Committee on Financial Services of
24 the House of Representatives and the
25 chair and ranking member of the

1 Committee on Banking, Housing, and
2 Urban Affairs of the Senate.

3 “(III) OMITTING MATERIALS.—

4 If, after the consultation required
5 under subclause (II), the Federal
6 banking agency determines there is a
7 substantial public interest in not pub-
8 lishing such materials, the Federal
9 banking agency shall provide those
10 materials to the Committee on Finan-
11 cial Services of the House of Rep-
12 resentatives and the Committee on
13 Banking, Housing, and Urban Affairs
14 of the Senate with a written expla-
15 nation describing the reasons for not
16 publishing those materials.

17 “(iii) PRIVILEGE.—For purposes of
18 this subparagraph, the term ‘privilege’ in-
19 cludes any work-product, attorney-client,
20 or other privilege recognized under Federal
21 or State law.

22 “(C) REPORT EXTENSION.—A Federal
23 banking agency may extend a deadline de-
24 scribed under subparagraph (A) for an addi-
25 tional 60 days, if the Federal banking agency—

1 “(i) faces ongoing circumstances that
2 require the Federal banking agency to
3 prioritize activities to promote stability of
4 the U.S. banking system; and

5 “(ii) notifies the Congress of such ex-
6 tension and the reasons for such extension.

7 “(D) CONSOLIDATED REPORTS.—A Fed-
8 eral banking agency may consolidate multiple
9 reports required under this paragraph so long
10 as the individual reports being consolidated all
11 meet the timing requirements under this para-
12 graph.

13 “(E) RULE OF CONSTRUCTION.—Nothing
14 in this paragraph or reports or materials pro-
15 vided pursuant to this paragraph may be con-
16 strued to limit the authority of a Federal agen-
17 cy to enforce violations of Federal statutes,
18 rules, or orders.”.

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.....
 (Original Signature of Member)

119TH CONGRESS
 1ST SESSION

H. R. _____

To amend the Consumer Financial Protection Act of 2010 to provide for
 whistleblower incentives and protection.

 IN THE HOUSE OF REPRESENTATIVES

Mr. GREEN of Texas introduced the following bill; which was referred to the
 Committee on _____

A BILL

To amend the Consumer Financial Protection Act of 2010
 to provide for whistleblower incentives and protection.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Financial Compensa-
 5 tion for CFPB Whistleblowers Act”.

1 **SEC. 2. BUREAU WHISTLEBLOWER INCENTIVES AND PRO-**
 2 **TECTION.**

3 (a) IN GENERAL.—The Consumer Financial Protec-
 4 tion Act of 2010 (12 U.S.C. 5481 et seq.) is amended by
 5 inserting after section 1017 the following:

6 **“SEC. 1017A. WHISTLEBLOWER INCENTIVES AND PROTEC-**
 7 **TION.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) ADMINISTRATIVE PROCEEDING OR COURT
 10 ACTION.—The term ‘administrative proceeding or
 11 court action’ means any judicial or administrative
 12 action brought by the Bureau that results in mone-
 13 tary sanctions exceeding \$1,000,000.

14 “(2) FUND.—The term ‘Fund’ means the Con-
 15 sumer Financial Civil Penalty Fund established
 16 under section 1017(d)(1).

17 “(3) MONETARY SANCTIONS.—The term ‘mone-
 18 tary sanctions’ means, with respect to any adminis-
 19 trative proceeding or court action, any monies, in-
 20 cluding penalties, disgorgement, restitution, interest,
 21 ordered to be paid or other amounts of relief ob-
 22 tained under section 1055(a)(2).

23 “(4) ORIGINAL INFORMATION.—The term
 24 ‘original information’ means information that—

25 “(A) is derived from the independent
 26 knowledge or analysis of a whistleblower;

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1 “(B) is not known to the Bureau from any
2 other source, unless the whistleblower is the
3 original source of the information;

4 “(C) is not exclusively derived from an al-
5 legation made in a judicial or administrative
6 hearing, in a governmental report, hearing, or
7 from the news media, unless the whistleblower
8 is a source of the information; and

9 “(D) is not exclusively derived from an al-
10 legation made in an audit, examination, or in-
11 vestigation.

12 “(5) SUCCESSFUL ENFORCEMENT.—The term
13 ‘successful enforcement’ includes, with respect to
14 any administrative proceeding or court action
15 brought by the Bureau, any settlement of such pro-
16 ceeding or action.

17 “(6) WHISTLEBLOWER.—The term ‘whistle-
18 blower’ means any individual who provides, or 2 or
19 more individuals acting jointly who provide, original
20 information relating to a violation of Federal con-
21 sumer financial law, consistent with any rule or reg-
22 ulation issued by the Bureau under this section.

23 “(b) AWARDS.—

24 “(1) IN GENERAL.—In any administrative pro-
25 ceeding or court action the Bureau, subject to regu-

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1 lations prescribed by the Bureau and subject to sub-
 2 section (e), shall pay an award or awards to 1 or
 3 more whistleblowers who voluntarily provided origi-
 4 nal information that led to the successful enforce-
 5 ment of the covered administrative proceeding or
 6 court action in an aggregate amount equal to—

7 “(A) not less than 10 percent, in total, of
 8 the civil money penalties collected by the Bu-
 9 reau in the action; and

10 “(B) not more than 30 percent, in total, of
 11 the civil money penalties collected by the Bu-
 12 reau in the action.

13 “(2) PAYMENT OF AWARDS.—Any amount paid
 14 under paragraph (1) shall be paid from the Fund.

15 “(3) AWARD MINIMUM.—If the Bureau collects
 16 less than \$1,000,000 in civil money penalties in the
 17 action, the Bureau shall provide for an award to any
 18 single whistleblower equal to the greater of—

19 “(A) 10 percent of the civil money pen-
 20 alties collected; or

21 “(B) \$50,000.

22 “(c) DETERMINATION OF AMOUNT OF AWARD; DE-
 23 NIAL OF AWARD.—

24 “(1) DETERMINATION OF AMOUNT OF
 25 AWARD.—

1 “(A) DISCRETION.—The determination of
2 the percentage amount of an award made under
3 subsection (b) shall be in the discretion of the
4 Bureau.

5 “(B) CRITERIA.—In determining the per-
6 centage amount of an award made under sub-
7 section (b), the Bureau shall take into consider-
8 ation—

9 “(i) the significance of the informa-
10 tion provided by the whistleblower to the
11 successful enforcement of the administra-
12 tive proceeding or court action;

13 “(ii) the degree of assistance provided
14 by the whistleblower and any legal rep-
15 resentative of the whistleblower in an ad-
16 ministrative proceeding or court action;

17 “(iii) the programmatic interest of the
18 Bureau in deterring violations of Federal
19 consumer financial law (including applica-
20 ble regulations) by making awards to whis-
21 tleblowers who provide information that
22 leads to the successful enforcement of such
23 laws; and

24 “(iv) such additional relevant factors
25 as the Bureau may establish by rule or

1 regulation, including the amount available
2 in the Fund.

3 “(2) DENIAL OF AWARD.—No award under
4 subsection (b) shall be made—

5 “(A) to any whistleblower who is, or was at
6 the time the whistleblower acquired the original
7 information submitted to the Bureau, a mem-
8 ber, officer, or employee of an entity described
9 in subclauses (I) through (V) of subsection
10 (h)(1)(C)(i);

11 “(B) to any whistleblower who is convicted
12 of a criminal violation related to the adminis-
13 trative proceeding or court action for which the
14 whistleblower otherwise could receive an award
15 under this section;

16 “(C) to any whistleblower who is found to
17 be liable for the conduct in the administrative
18 proceeding or court action, or a related action,
19 for which the whistleblower otherwise could re-
20 ceive an award under this section;

21 “(D) to any whistleblower who planned
22 and initiated the conduct at issue in the admin-
23 istrative proceeding or court action for which
24 the whistleblower otherwise could receive an
25 award under this section;

1 “(E) to any whistleblower who submits in-
2 formation to the Bureau that is based on the
3 facts underlying the administrative proceeding
4 or court action previously submitted by another
5 whistleblower; and

6 “(F) to any whistleblower who fails to sub-
7 mit information to the Bureau in such form as
8 the Bureau may, by rule or regulation, require.

9 “(d) REPRESENTATION.—

10 “(1) PERMITTED REPRESENTATION.—Any
11 whistleblower who makes a claim for an award under
12 subsection (b) may be represented by counsel.

13 “(2) REQUIRED REPRESENTATION.—

14 “(A) IN GENERAL.—Any whistleblower
15 who anonymously makes a claim for an award
16 under subsection (b) shall be represented by
17 counsel if the whistleblower submits the infor-
18 mation upon which the claim is based.

19 “(B) DISCLOSURE OF IDENTITY.—Prior to
20 the payment of an award, a whistleblower shall
21 disclose the identity of the whistleblower and
22 provide such other information as the Bureau
23 may require, directly or through counsel of the
24 whistleblower.

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1 “(e) NO CONTRACT NECESSARY.—No contract or
2 other agreement with the Bureau is necessary for any
3 whistleblower to receive an award under subsection (b),
4 unless otherwise required by the Bureau by rule or regula-
5 tion.

6 “(f) APPEALS.—

7 “(1) IN GENERAL.—Any determination made
8 under this section, including whether, to whom, or in
9 what amount to make awards, shall be in the discre-
10 tion of the Bureau. Any such determination, except
11 the determination of the amount of an award if the
12 award was made in accordance with subsection (b),
13 may be appealed to the appropriate court of appeals
14 of the United States not more than 30 days after
15 the determination is issued by the Bureau.

16 “(2) SCOPE OF REVIEW.—The court shall re-
17 view the determination made by the Bureau in ac-
18 cordance with section 706 of title 5, United States
19 Code.

20 “(g) REPORTS TO CONGRESS.—Not later than De-
21 cember 31 of each year, the Bureau shall transmit to the
22 House Committee on Financial Services and the Senate
23 Committee on Banking, Housing, and Urban Affairs a re-
24 port on the Bureau’s whistleblower award program under
25 this section, including a description of the number of

1 awards granted and the types of cases in which awards
2 were granted during the preceding fiscal year.

3 “(h) PROTECTION OF WHISTLEBLOWERS.—

4 “(1) CONFIDENTIALITY.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraphs (B) and (C), the Bureau and
7 any officer or employee of the Bureau, shall not
8 disclose any information, including information
9 provided by a whistleblower to the Bureau,
10 which could reasonably be expected to reveal
11 the identity of a whistleblower, except in ac-
12 cordance with the provisions of section 552a of
13 title 5, United States Code, unless and until re-
14 quired to be disclosed to a defendant or re-
15 spondent in connection with a public proceeding
16 instituted by the Bureau or any entity described
17 in subparagraph (C). For purposes of section
18 552 of title 5, United States Code, this para-
19 graph shall be considered a statute described in
20 subsection (b)(3)(B) of such section 552.

21 “(B) EFFECT.—Nothing in this paragraph
22 is intended to limit the ability of the Attorney
23 General to present such evidence to a grand
24 jury or to share such evidence with potential

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1 witnesses or defendants in the course of an on-
2 going criminal investigation.

3 “(C) AVAILABILITY TO GOVERNMENT
4 AGENCIES.—

5 “(i) IN GENERAL.—Without the loss
6 of its status as confidential in the hands of
7 the Bureau, all information referred to in
8 subparagraph (A) may, in the discretion of
9 the Bureau, when determined by the Bu-
10 reau to be necessary or appropriate, be
11 made available to—

12 “(I) the Department of Justice;

13 “(II) an appropriate department
14 or agency of the Federal Government,
15 acting within the scope of its jurisdic-
16 tion;

17 “(III) a State attorney general in
18 connection with any criminal inves-
19 tigation;

20 “(IV) an appropriate department
21 or agency of any State, acting within
22 the scope of its jurisdiction; and

23 “(V) a foreign regulatory author-
24 ity.

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1 “(ii) MAINTENANCE OF INFORMA-
2 TION.—Each of the entities, agencies, or
3 persons described in clause (i) shall main-
4 tain information described in that clause
5 as confidential, in accordance with the re-
6 quirements in subparagraph (A).

7 “(2) RIGHTS RETAINED.—Nothing in this sec-
8 tion shall be deemed to diminish the rights, privi-
9 leges, or remedies of any whistleblower under section
10 1057, any other Federal or State law, or under any
11 collective bargaining agreement.

12 “(i) RULEMAKING AUTHORITY.—The Bureau shall
13 have the authority to issue such rules and regulations as
14 may be necessary or appropriate to implement the provi-
15 sions of this section consistent with the purposes of this
16 section.

17 “(j) ORIGINAL INFORMATION.—Information sub-
18 mitted to the Bureau by a whistleblower in accordance
19 with rules or regulations implementing this section shall
20 not lose its status as original information solely because
21 the whistleblower submitted such information prior to the
22 effective date of such rules or regulations, provided such
23 information was submitted after the date of enactment of
24 this section.

1 “(k) PROVISION OF FALSE INFORMATION.—A whis-
2 tleblower who knowingly and willfully makes any false, fic-
3 titious, or fraudulent statement or representation, or who
4 makes or uses any false writing or document knowing the
5 same to contain any false, fictitious, or fraudulent state-
6 ment or entry, shall not be entitled to an award under
7 this section and shall be subject to prosecution under sec-
8 tion 1001 of title 18, United States Code.

9 “(l) UNENFORCEABILITY OF CERTAIN AGREE-
10 MENTS.—

11 “(1) NO WAIVER OF RIGHTS AND REMEDIES.—
12 Except as provided under paragraph (3), and not-
13 withstanding any other provision of law, the rights
14 and remedies provided for in this section may not be
15 waived by any agreement, policy, form, or condition
16 of employment, including by any predispute arbitra-
17 tion agreement.

18 “(2) NO PREDISPUTE ARBITRATION AGREE-
19 MENTS.—Except as provided under paragraph (3),
20 and notwithstanding any other provision of law, no
21 predispute arbitration agreement shall be valid or
22 enforceable to the extent that the agreement re-
23 quires arbitration of a dispute arising under this
24 section.

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1 “(3) EXCEPTION.—Notwithstanding paragraphs
2 (1) and (2), an arbitration provision in a collective
3 bargaining agreement shall be enforceable as to dis-
4 putes arising under subsection (a)(4), unless the Bu-
5 reau determines, by rule, that such provision is in-
6 consistent with the purposes of this title.”.

7 (b) CONSUMER FINANCIAL CIVIL PENALTY FUND.—
8 Section 1017(d)(2) of the Consumer Financial Protection
9 Act of 2010 (12 U.S.C. 5497(d)(2)) is amended, in the
10 first sentence, by inserting “and for awards authorized
11 under section 1017A” before the period at the end.

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[118H68]

(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To authorize funds to prevent housing discrimination through the use of nationwide testing, to increase funds for the Fair Housing Initiatives Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GREEN of Texas introduced the following bill; which was referred to the Committee on _____

A BILL

To authorize funds to prevent housing discrimination through the use of nationwide testing, to increase funds for the Fair Housing Initiatives Program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Veterans, Women, Families with Children, Race, and Persons with Disabilities Housing Fairness Act of 2024” or the “Housing Fairness Act of 2024”.

1 **SEC. 2. TESTING FOR DISCRIMINATION.**

2 (a) IN GENERAL.—The Secretary of Housing and
3 Urban Development shall conduct a nationwide program
4 of testing to—

5 (1) detect and document differences in the
6 treatment of persons seeking to rent or purchase
7 housing or obtain or refinance a home mortgage
8 loan, and measure patterns of adverse treatment be-
9 cause of the race, color, religion, sex, familial status,
10 disability status, or national origin of a renter, home
11 buyer, or borrower; and

12 (2) measure the prevalence of such discrimina-
13 tory practices across the housing and mortgage lend-
14 ing markets as a whole.

15 (b) ADMINISTRATION.—The Secretary of Housing
16 and Urban Development shall enter into agreements with
17 qualified fair housing enforcement organizations, as such
18 organizations are defined under subsection (h) of section
19 561 of the Housing and Community Development Act of
20 1987 (42 U.S.C. 3616a(h)), for the purpose of conducting
21 the testing required under subsection (a).

22 (c) PROGRAM REQUIREMENTS.—The Secretary
23 shall—

24 (1) submit to the Congress an evaluation by the
25 Secretary of the effectiveness of the program under
26 this section; and

1 (2) issue regulations that require each applica-
2 tion for the program under this section to contain—

3 (A) a description of the assisted activities
4 proposed to be undertaken by the applicant;

5 (B) a description of the experience of the
6 applicant in formulating or carrying out pro-
7 grams to carry out the activities described in
8 subsection (a); and

9 (C) a description of proposed procedures to
10 be used by the applicant for evaluating the re-
11 sults of the activities proposed to be carried out
12 under the program.

13 (d) REPORT.—The Secretary of Housing and Urban
14 Development shall report to Congress—

15 (1) on a biennial basis, the aggregate outcomes
16 of testing required under subsection (a) along with
17 any recommendations or proposals for legislative or
18 administrative action to address any issues raised by
19 such testing; and

20 (2) on an annual basis, a detailed summary of
21 the messages received by the Office of Fair Housing
22 and Equal Opportunity of the Department through
23 its 24-hour toll-free telephone hotline, through elec-
24 tronic mail, and through its website.

1 The Secretary may submit the reports required under
2 paragraph (1) of this subsection as part of the reports
3 prepared in accordance with paragraphs (2) and (6) of
4 section 808(e) of the Fair Housing Act (42 U.S.C.
5 3608(e)) and section 561(j) of the Housing and Commu-
6 nity Development Act of 1987 (42 U.S.C. 3616a(j)).

7 (e) USE OF RESULTS.—The results of any testing re-
8 quired under subsection (a) may be used as the basis for
9 the Secretary, or any Federal agency authorized to bring
10 such an enforcement action, or any State or local govern-
11 ment or agency, public or private nonprofit organization
12 or institution, or other public or private entity that the
13 Secretary has entered into a contract or cooperative agree-
14 ment with under section 561 of the Housing and Commu-
15 nity Development Act of 1987 (42 U.S.C. 3616a) to com-
16 mence, undertake, or pursue any investigation or enforce-
17 ment action to remedy any discriminatory housing practice
18 (as such term is defined in section 802 of the Fair Hous-
19 ing Act (42 U.S.C. 3602)) uncovered as a result of such
20 testing.

21 (f) DEFINITIONS.—As used in this section:

22 (1) DISABILITY STATUS.—The term “disability
23 status” has the same meaning given the term
24 “handicap” in section 802 of the Civil Rights Act of
25 1968 (42 U.S.C. 3602).

1 (2) FAMILIAL STATUS.—The term “familial sta-
2 tus” has the same meaning given that term in sec-
3 tion 802 of the Civil Rights Act of 1968 (42 U.S.C.
4 3602).

5 (g) RELATIONSHIP TO OTHER LAWS.—Nothing in
6 this section may be construed to amend, alter, or affect
7 any provision of criminal law or the Truth in Lending Act
8 (15 U.S.C. 1601 et seq.).

9 (h) REGULATIONS.—Not later than the expiration of
10 the 180-day period beginning on the date of the enactment
11 of this Act, the Secretary of Housing and Urban Develop-
12 ment shall issue regulations that establish minimum
13 standards for the training of testers of organizations con-
14 ducting testing required under subsection (a). Such regu-
15 lations shall serve as the basis of an evaluation of such
16 testers, which shall be developed by the Secretary, and
17 such regulations shall be issued after notice and an oppor-
18 tunity for public comment in accordance with the proce-
19 dure under section 553 of title 5, United States Code, ap-
20 plicable to substantive rules (notwithstanding subsections
21 (a)(2), (b)(3)(B), and (d)(3) of such section).

22 (i) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated to carry out the provi-
24 sions of this section \$15,000,000 for each of fiscal years
25 2024 through 2028.

1 **SEC. 3. INCREASE IN FUNDING FOR THE FAIR HOUSING INI-**
2 **TIATIVES PROGRAM.**

3 (a) IN GENERAL.—Section 561 of the Housing and
4 Community Development Act of 1987 (42 U.S.C. 3616a)
5 is amended—

6 (1) in subsection (b)—

7 (A) in paragraph (1), by inserting “quali-
8 fied” before “private nonprofit fair housing en-
9 forcement organizations,”; and

10 (B) in paragraph (2), by inserting “quali-
11 fied” before “private nonprofit fair housing en-
12 forcement organizations,”;

13 (2) by striking subsection (g) and inserting the
14 following:

15 “(g) AUTHORIZATION OF APPROPRIATIONS.—

16 “(1) IN GENERAL.—There are authorized to be
17 appropriated to carry out the provisions of this sec-
18 tion \$42,500,000 for each of fiscal years 2024
19 through 2028, of which—

20 “(A) not less than 75 percent of such
21 amounts shall be for private enforcement initia-
22 tives authorized under subsection (b);

23 “(B) not more than 10 percent of such
24 amounts shall be for education and outreach
25 programs under subsection (d); and

1 “(C) any remaining amounts shall be used
2 for program activities authorized under this sec-
3 tion.

4 “(2) AVAILABILITY.—Any amount appropriated
5 under this section shall remain available until ex-
6 pended to carry out the provisions of this section.”;

7 (3) in subsection (h), in the matter following
8 subparagraph (C), by inserting “and meets the cri-
9 teria described in subparagraphs (A) and (C)” after
10 “subparagraph (B)”; and

11 (4) in subsection (d)—

12 (A) in paragraph (1)—

13 (i) in subparagraph (C), by striking
14 “and” at the end;

15 (ii) in subparagraph (D), by striking
16 the period and inserting “; and”; and

17 (iii) by adding after subparagraph (D)
18 the following new subparagraph:

19 “(E) websites and other media outlets.”;

20 (B) in paragraph (2), by striking “or other
21 public or private entities” and inserting “or
22 other public or private nonprofit entities”; and

23 (C) in paragraph (3), by striking “or other
24 public or private entities” and inserting “or
25 other public or private nonprofit entities”.

1 (b) REGULATIONS.—Not later than the expiration of
2 the 180-day period beginning on the date of the enactment
3 of this Act, the Secretary of Housing and Urban Develop-
4 ment shall issue regulations that establish minimum
5 standards for the training of testers of organizations fund-
6 ed with any amounts made available to carry out this sec-
7 tion for any of fiscal years 2024 through 2028. Such regu-
8 lations shall serve as the basis of an evaluation of such
9 testers, which shall be developed by the Secretary, and
10 shall be issued after notice and an opportunity for public
11 comment in accordance with the procedure under section
12 553 of title 5, United States Code, applicable to sub-
13 stantive rules (notwithstanding subsections (a)(2),
14 (b)(3)(B), and (d)(3) of such section).

15 **SEC. 4. SENSE OF CONGRESS.**

16 It is the sense of Congress that the Secretary of
17 Housing and Urban Development should—

18 (1) fully comply with the requirements of sec-
19 tion 561(d) of the Housing and Community Develop-
20 ment Act of 1987 (42 U.S.C. 3616a(d)) to establish,
21 design, and maintain a national education and out-
22 reach program to provide a centralized, coordinated
23 effort for the development and dissemination of the
24 fair housing rights of individuals who seek to rent,
25 purchase, sell, or facilitate the sale of a home;

1 (2) expend for such education and outreach
2 programs all amounts appropriated for such pro-
3 grams;

4 (3) promulgate regulations regarding the fair
5 housing obligations of each recipient of Federal
6 housing and community development funds to af-
7 firmatively further fair housing, as that term is de-
8 fined under title VIII of the Civil Rights Act of
9 1968 (42 U.S.C. 3601 et seq.); and

10 (4) fully comply with the requirements of sec-
11 tion 810(a) of the Fair Housing Act (42 U.S.C.
12 3610(a)).

13 **SEC. 5. GRANTS TO PRIVATE ENTITIES TO STUDY HOUSING**
14 **DISCRIMINATION.**

15 (a) GRANT PROGRAM.—The Secretary of Housing
16 and Urban Development shall carry out a competitive
17 matching grant program to assist public and private non-
18 profit organizations in—

19 (1) conducting comprehensive studies that ex-
20 amine—

21 (A) the causes of housing discrimination
22 and segregation;

23 (B) the effects of housing discrimination
24 and segregation on education, poverty, and eco-
25 nomic development; or

1 (C) the incidences, causes, and effects of
2 housing discrimination and segregation on vet-
3 erans and military personnel; and

4 (2) implementing pilot projects that test solu-
5 tions that will help prevent or alleviate housing dis-
6 crimination and segregation.

7 (b) ELIGIBILITY.—To be eligible to receive a grant
8 under this section, a public or private nonprofit organiza-
9 tion shall—

10 (1) submit an application to the Secretary of
11 Housing and Urban Development, containing such
12 information as the Secretary shall require;

13 (2) agree to provide matching non-Federal
14 funds for 50 percent of the total amount of the
15 grant, which matching funds may include items do-
16 nated on an in-kind contribution basis; and

17 (3) meet the requirements of a qualified fair
18 housing enforcement organization, as such term is
19 defined in section 561(h) of the Housing and Com-
20 munity Development Act of 1987 (42 U.S.C.
21 3616a(h)), or subcontract with a qualified fair hous-
22 ing enforcement organization as a primary subcon-
23 tractor.

24 (c) REPORT.—The Secretary of Housing and Urban
25 Development shall submit a report to the Congress on a

1 biennial basis that provides a detailed summary of the re-
2 sults of the comprehensive studies and pilot projects car-
3 ried out under subsection (a), together with any rec-
4 ommendations or proposals for legislative or administra-
5 tive actions to address any issues raised by such studies.
6 The Secretary may submit the reports required under this
7 subsection as part of the reports prepared in accordance
8 with paragraphs (2) and (6) of section 808(e) of the Fair
9 Housing Act (42 U.S.C. 3608(e)) and section 561(j) of
10 the Housing and Community Development Act of 1987
11 (42 U.S.C. 3616a(j)).

12 (d) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to carry out the provi-
14 sions of this section \$5,000,000 for each of fiscal years
15 2024 through 2028.

16 **SEC. 6. LIMITATION ON USE OF FUNDS.**

17 None of the funds made available under this Act, or
18 the amendments made by this Act, may be used for any
19 political activities, political advocacy, or lobbying (as such
20 terms are defined by Circular A–122 of the Office of Man-
21 agement and Budget, entitled “Cost Principles for Non-
22 Profit Organizations”), or for expenses for travel to en-
23 gage in political activities or preparation of or provision
24 of advice on tax returns.

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.....
 (Original Signature of Member)

119TH CONGRESS
 1ST SESSION

H. R. _____

To establish an Office of Fair Lending Testing to test for compliance with the Equal Credit Opportunity Act, to strengthen the Equal Credit Opportunity Act, to ensure that persons injured by discriminatory practices, including organizations that have diverted resources to address discrimination and whose mission has been frustrated by illegal acts, can seek relief under such Act and to provide for criminal penalties for violating such Act, and for other purposes.

 IN THE HOUSE OF REPRESENTATIVES

Mr. GREEN of Texas introduced the following bill; which was referred to the Committee on _____

A BILL

To establish an Office of Fair Lending Testing to test for compliance with the Equal Credit Opportunity Act, to strengthen the Equal Credit Opportunity Act, to ensure that persons injured by discriminatory practices, including organizations that have diverted resources to address discrimination and whose mission has been frustrated by illegal acts, can seek relief under such Act and to provide for criminal penalties for violating such Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Lending for All
5 Act”.

6 **SEC. 2. OFFICE OF FAIR LENDING TESTING.**

7 (a) ESTABLISHMENT.—There is established within
8 the Bureau of Consumer Financial Protection an Office
9 of Fair Lending Testing (hereinafter referred to as the
10 “Office”).

11 (b) DIRECTOR.—The head of the Office shall be a
12 Director, who shall—

13 (1) be appointed to a 5-year term by, and re-
14 port to, the Director of the Bureau of Consumer Fi-
15 nancial Protection;

16 (2) appoint and fix the compensation of such
17 employees as are necessary to carry out the duties
18 of the Office under this section; and

19 (3) provide an estimated annual budget to the
20 Director of the Bureau of Consumer Financial Pro-
21 tection.

22 (c) CIVIL SERVICE POSITION.—The position of the
23 Director shall be a career position within the civil service.

24 (d) TESTING.—

1 (1) IN GENERAL.—The Office, in consultation
2 with the Attorney General and the Secretary of
3 Housing and Urban Development, shall conduct
4 testing of compliance with the Equal Credit Oppor-
5 tunity Act by creditors, through the use of individ-
6 uals who, without any bona fide intent to receive a
7 loan, pose as prospective borrowers for the purpose
8 of gathering information.

9 (2) REFERRAL OF VIOLATIONS.—If, in carrying
10 out the testing described under paragraph (1), the
11 Office believes a person has violated the Equal Cred-
12 it Opportunity Act, the Office shall refer such viola-
13 tion in writing to the Attorney General for appro-
14 priate action.

15 (e) REPORT TO CONGRESS.—Section 707 of the
16 Equal Credit Opportunity Act (15 U.S.C. 1691f) is
17 amended by adding at the end the following: “In addition,
18 each report of the Bureau shall include an analysis of the
19 testing carried out pursuant to section 2 of the Fair Lend-
20 ing for All Act, and each report of the Bureau and the
21 Attorney General shall include a summary of criminal en-
22 forcement actions taken under section 706A.”.

1 **SEC. 3. PROHIBITION ON CREDIT DISCRIMINATION.**

2 (a) IN GENERAL.—Subsection (a) of section 701 of
3 the Equal Credit Opportunity Act (15 U.S.C. 1691) is
4 amended to read as follows:

5 “(a) It shall be unlawful to discriminate against any
6 person, with respect to any aspect of a credit trans-
7 action—

8 “(1) on the basis of race, color, religion, na-
9 tional origin, sex (including sexual orientation and
10 gender identity), marital status, or age (provided the
11 applicant has the capacity to contract);

12 “(2) on the basis of the person’s ZIP Code, or
13 census tract;

14 “(3) because all or part of the person’s income
15 derives from any public assistance program; or

16 “(4) because the person has in good faith exer-
17 cised any right under the Consumer Credit Protec-
18 tion Act.”.

19 (b) REMOVAL OF CERTAIN REFERENCES TO CREDI-
20 TORS AND APPLICANTS AND DEFINITION ADDED.—The
21 Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.)
22 is amended—

23 (1) in section 701(b)—

24 (A) by striking “applicant” each place
25 such term appears and inserting “person”; and

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1 (B) in paragraph (2), by striking “appli-
2 cant’s” each place such term appears and in-
3 serting “person’s”;

4 (2) in section 702—

5 (A) by redesignating subsection (g) as sub-
6 section (h); and

7 (B) by inserting after subsection (f) the
8 following:

9 “(g) The term ‘aggrieved person’ includes any person
10 who—

11 “(1) claims to have been injured by a discrimi-
12 natory credit practice; or

13 “(2) believes that such person will be injured by
14 a discriminatory credit practice.”;

15 (3) in section 704A—

16 (A) in subsection (b)(1), by striking “ap-
17 plicant” each place such term appears and in-
18 serting “aggrieved person”; and

19 (B) in subsection (c), by striking “appli-
20 cant” and inserting “aggrieved person”;

21 (4) in section 705—

22 (A) by striking “the applicant” each place
23 such term appears and inserting “persons”; and

24 (B) in subsection (a)—

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- 1 (i) by striking “a creditor to take”
 2 and inserting “taking”; and
 3 (ii) by striking “applicant” and insert-
 4 ing “person”; and
 5 (5) in section 706—
 6 (A) by striking “creditor” each place such
 7 term appears and inserting “person”;
 8 (B) by striking “creditor’s” each place
 9 such term appears and inserting “person’s”;
 10 (C) by striking “creditors” each place such
 11 term appears and inserting “persons”; and
 12 (D) in subsection (f), by striking “appli-
 13 cant” and inserting “aggrieved person”.

14 **SEC. 4. CRIMINAL PENALTIES FOR VIOLATIONS OF THE**
 15 **EQUAL CREDIT OPPORTUNITY ACT.**

16 (a) IN GENERAL.—The Equal Credit Opportunity
 17 Act (15 U.S.C. 1691 et seq.) is amended by inserting after
 18 section 706 the following:

19 **“§ 706A. Criminal penalties**

20 “(a) INDIVIDUAL VIOLATIONS.—Any person who
 21 knowingly and willfully violates this title shall be fined not
 22 more than \$50,000, or imprisoned not more than 1 year,
 23 or both.

24 “(b) PATTERN OR PRACTICE.—

1 “(1) IN GENERAL.—Any person who engages in
2 a pattern or practice of knowingly and willfully vio-
3 lating this title shall be fined not more than
4 \$100,000 for each violation of this title, or impris-
5 oned not more than twenty years, or both.

6 “(2) PERSONAL LIABILITY OF EXECUTIVE OFFI-
7 CERS AND DIRECTORS OF THE BOARD.—Any execu-
8 tive officer or director of the board of an entity who
9 knowingly and willfully causes the entity to engage
10 in a pattern or practice of knowingly and willfully
11 violating this title (or who directs another agent,
12 senior officer, or director of the entity to commit
13 such a violation or engage in such acts that result
14 in the director or officer being personally unjustly
15 enriched) shall be—

16 “(A) fined in an amount not to exceed 100
17 percent of the compensation (including stock
18 options awarded as compensation) received by
19 such officer or director from the entity—

20 “(i) during the time period in which
21 the violations occurred; or

22 “(ii) in the one to three year time pe-
23 riod preceding the date on which the viola-
24 tions were discovered; and

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1 “(B) imprisoned for not more than 5
2 years.”.

3 (b) CLERICAL AMENDMENT.—The table of contents
4 for the Equal Credit Opportunity Act (15 U.S.C. 1691
5 et seq.) is amended by inserting after the item relating
6 to section 706 the following:

“706A. Criminal penalties.”.

7 **SEC. 5. REVIEW OF LOAN APPLICATIONS.**

8 (a) IN GENERAL.—Subtitle C of the Consumer Fi-
9 nancial Protection Act of 2010 (12 U.S.C. 5531 et seq.)
10 is amended by adding at the end the following:

11 **“SEC. 1038. REVIEW OF LOAN APPLICATIONS.**

12 “(a) IN GENERAL.—The Bureau shall carry out re-
13 views of loan applications and the process of taking loan
14 applications being used by covered persons to ensure such
15 applications and processes do not violate the Equal Credit
16 Opportunity Act or any other Federal consumer financial
17 law.

18 “(b) PROHIBITION AND ENFORCEMENT.—If the Bu-
19 reau determines under subsection (a) that any loan appli-
20 cation or process of taking a loan application violates the
21 Equal Credit Opportunity Act or any other Federal con-
22 sumer financial law, the Bureau shall—

23 “(1) prohibit the covered person from using
24 such application or process; and

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1 “(2) take such enforcement or other actions
 2 with respect to the covered person as the Bureau de-
 3 termines appropriate.”.

4 (b) CLERICAL AMENDMENT.—The table of contents
 5 in section 1 of the Dodd-Frank Wall Street Reform and
 6 Consumer Protection Act is amended by inserting after
 7 the item relating to section 1037 the following:

“Sec. 1038. Review of loan applications.”.

8 **SEC. 6. MORTGAGE DATA COLLECTION.**

9 (a) IN GENERAL.—Section 304(b)(4) of the Home
 10 Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(b)(4))
 11 is amended by striking “census tract, income level, racial
 12 characteristics, age, and gender” and inserting “the appli-
 13 cant or borrower’s ZIP Code, census tract, income level,
 14 race, color, religion, national origin, sex, marital status,
 15 sexual orientation, gender identity, and age”.

16 (b) PROTECTION OF PRIVACY INTERESTS.—Section
 17 304(h)(3)(A) of the Home Mortgage Disclosure Act of
 18 1975 (12 U.S.C. 2803(h)(3)(A)) is amended—

19 (1) in clause (i), by striking “and” at the end;

20 (2) by redesignating clause (ii) as clause (iii);

21 and

22 (3) by inserting after clause (i) the following:

23 “(ii) ZIP Code, census tract, and any
 24 other category of data described in sub-
 25 section (b)(4), as the Bureau determines to

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1 be necessary to satisfy the purpose de-
2 scribed in paragraph (1)(E), and in a man-
3 ner consistent with that purpose; and”.

